

The NATIONAL UNDERWRITER

Peace with Victory

CHRISTMAS 1944
 To our boys in the
 services...to our many
 friends and co-workers
 —our best wishes for
 Christmas. May the
 year ahead bring us
 peace with Victory!

CRUM & FORSTER
 MANAGERS
 110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co. Organized 1824	Richmond Insurance Co. Organized 1836
The North River Insurance Co. Organized 1822	Western Assurance Co., U. S. Branch Incorporated 1851
Westchester Fire Insurance Co. Organized 1837	British America Assurance Co., U. S. Branch Incorporated 1833
The Allomannia Fire Insurance Co. of Pittsburgh Organized 1868	Southern Fire Insurance Co., Durham, N. C. Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.

THURSDAY, DECEMBER 21, 1944



For this service, our thanks

As a rule, wounded men talk very little. They've learned to "take it." Many live in a secret, silent world of pain—but they *know*. They know and are grateful. They remember the horrors of that last battle... They remember the Red Cross worker bending over them... the plasma...

Then, the hospital, with all their precious lives before them... Their gratitude for the innumerable small, but vitally important comforts brought to them by Red Cross Nurse's Aids and Gray Ladies is expressed by eyes grown bright—or a simple "thanks."

Only a few of us can actively serve the Red Cross in the far-flung battle areas, but there is something we can *all* do no matter where we are. We can humbly share our blood... We can divide our time... We can give our money... We *can* and *must* help.

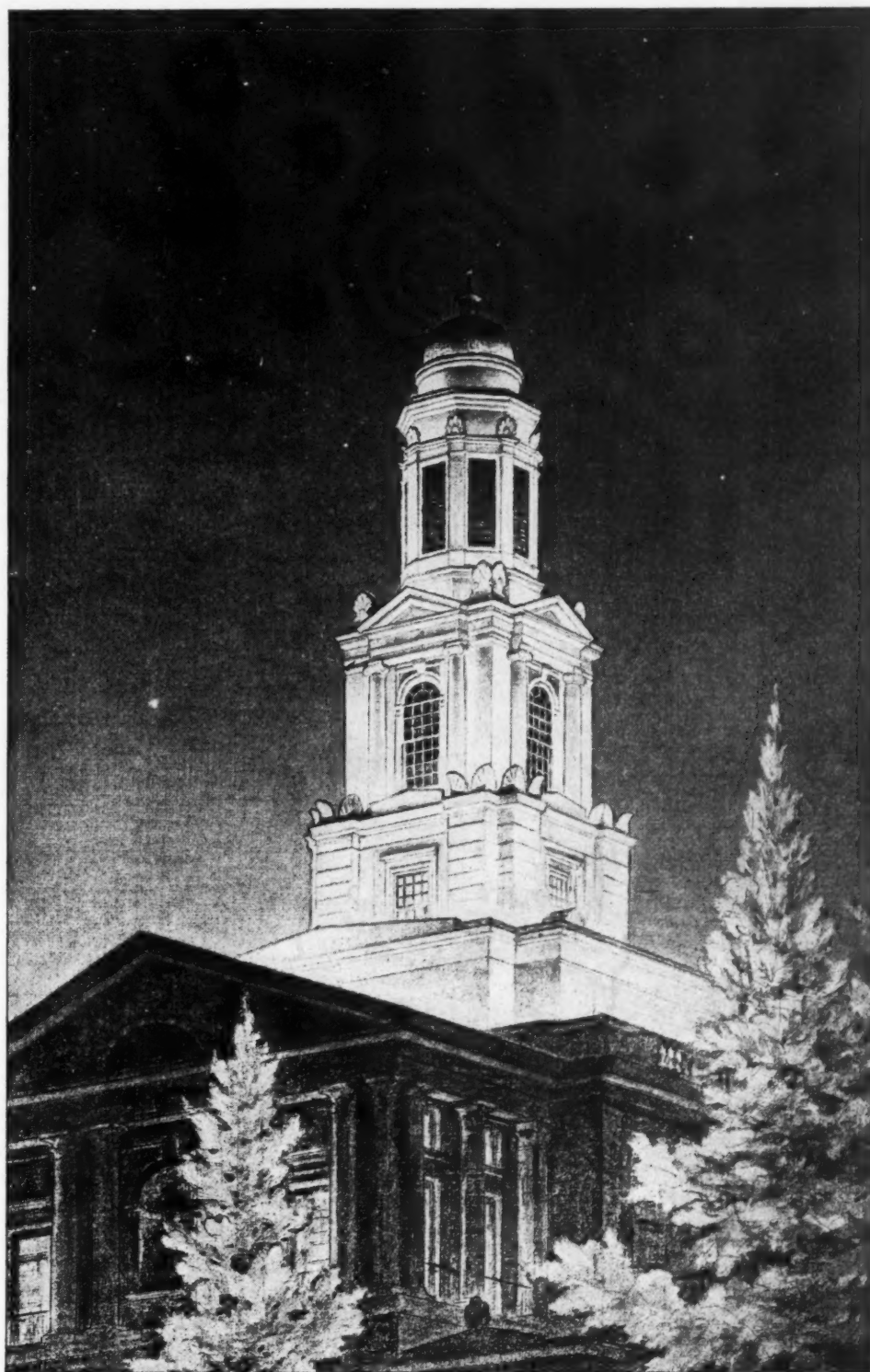
Make an appointment at your nearest blood donor center today... Join the hosts of Americans on the home front who are helping to make the Red Cross contribution in World War II the greatest mass effort of mercy the world has ever known... We must all deserve that "thanks" of our fighting men who have given so much for us.



This is the tenth of a series of advertisements dedicated to the American Red Cross by

THE HOME INSURANCE COMPANY, NEW YORK

FIRE • AUTOMOBILE • MARINE



SEASON'S GREETINGS

ÆTNA LIFE INSURANCE COMPANY
AUTOMOBILE INSURANCE COMPANY



ÆTNA CASUALTY AND SURETY COMPANY
STANDARD FIRE INSURANCE COMPANY

HARTFORD, CONNECTICUT

Questions THAT ARE BEING ANSWERED FOR ...

25 million readers of AMERICAN HOME,
SATURDAY EVENING POST and TIME and
5 million listeners of CEDRIC FOSTER
radio news commentator

*Who
is The Man with
the Plan?*

Answer: He is The Employers' Group Man, a professional, recognized insurance expert.

*What
does he do?*

Answer: He provides freedom from worry over financial loss.

*How
does he do it?*

Answer: He provides expert insurance counsel to home owners and business men through a carefully prepared, individualized protection plan.

*Why
does he do it?*

Answer: He wants to be certain the people in his community have planned protection against the insurable hazards to which they are exposed.

*Where
do I find him?*

Answer: This question is asked by thousands of readers and listeners who in turn are referred to our local agents and brokers.

*Are you The Man
with the Plan in
your Community?*

BE THE MAN WITH THE PLAN IN YOUR COMMUNITY

The advantages created by the use of The Employers' Group Analysis Plan, by national magazine advertising, direct mail sales programs, and coast-to-coast broadcasts every Sunday evening at 9:30, E.W.T., may be yours. Why not get the details now?



The Employers' Group INSURANCE

Surety and Fidelity Bonds—Fire and Casualty Insurance

THE EMPLOYERS' LIABILITY ASSURANCE CORP., LTD.
THE EMPLOYERS' FIRE INSURANCE CO.
AMERICAN EMPLOYERS' INSURANCE CO.

One Liberty Square, Boston 7, Mass.



THE EMPLOYERS' GROUP MAN IS THE MAN WITH THE PLAN

THE PREFERRED'S "UTILITY" POLICY IS THE BAROMETER FOR INSURANCE NEEDS

PERSONAL PROPERTY

Residence and Outside Theft
Damage by Water
Damage by Explosion
Damage by Airplane or other Vehicle
Glass Breakage
Automobile Collision

LEGAL LIABILITY

Comprehensive Personal Liability
Automobile Bodily Injury and
Medical Expense
Automobile Property Damage



We recommend
full coverage . . .

this is a real "Selec-
tive Service" Policy
. . . . your assured
selects only the cov-
erages needed and
pays only for the cov-
erages selected.

Write
for further informa-
tion and rates on the
"Utility".

*The Preferred
Accident Insurance Company
of New York.*

Established 1885

80 MAIDEN LANE, NEW YORK 7, N. Y.

Edwin B. Ackerman, President

Automobile • Accident • Burglary • Plate Glass • Liability • Compensation • Aviation

— Branch Offices —

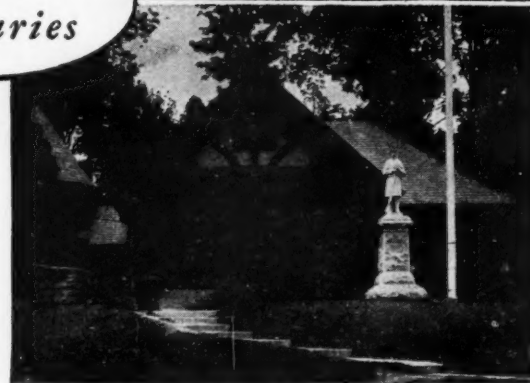
Boston • Buffalo • Chicago • Los Angeles • Philadelphia • Pittsburgh • San Francisco • Newark • Detroit • Minneapolis



A powerful cultural and educational force for building America was set in motion when Benjamin Franklin established the country's first public library in Philadelphia, in 1731.

There are now 6,880 public libraries in the United States, with over 114 million volumes and a yearly circulation of nearly 450 million books. These institutions supplement the work of our schools and colleges and they contain such a variety of books as to satisfy the desires of all levels of our literate population. It augurs well for the future of America that home use of public library books has doubled in the past sixteen years.

Annual expenditure on public libraries (mostly through local taxation) is \$55,000,000. In small population centers, however, some 35 million people are without public library service. The American Library Association, in conjunction with state planning committees, hopes to correct that condition and there is reason to believe that a greatly extended system of public libraries will be one feature of a well-ordered post war world.



PROTECTING AMERICA

Carlyle wrote: "All that mankind has done, thought, gained, or been is lying as in magic preservation in the pages of books." These records, and the buildings and equipment to make them available, may be safeguarded by one of mankind's achievements—insurance protection backed by loss-prevention engineering service. In addition to offering complete underwriting facilities, the Royal-Liverpool Group has developed a unique worksheet to assist libraries in determining the insurable value of library contents and equipment. Full particulars on request.

You can help the war effort by making some of your unused books available to men and women in the Armed Forces.



ROYAL-LIVERPOOL GROUP

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO., LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA

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Premium Tax Answers May Come in Okla. Case

Lincoln National Life Action Is Likely to Be Key Case

Many of the questions that insurance lawyers, constitutional and otherwise, and insurance commissioners and state attorneys general departments are pondering relative to the validity of state premium taxes may be resolved in the Oklahoma premium tax case which Lincoln National Life lost recently before the state supreme court and which, it is understood, it is appealing to the U. S. Supreme Court. If the U. S. Supreme Court decides this case on its merits and does not duck the issue on a technicality, it is believed that most of the state premium tax issues that are perplexing the insurance companies and state officials will be settled one way or the other.

Incidentally there seems to be a growing conviction on the part of lawyers that the Supreme Court decision in the S.E.U.A. case, making the commerce clause of the federal constitution applicable to insurance, does not introduce a new element into the state premium tax problem; that if state premium taxes are violative of the commerce clause as an unequal burden on interstate commerce, they are also violative of the equal protection clause of the constitution which has always been available to insurance companies. Lincoln National brought the Oklahoma case long before the S.E.U.A. decision was handed down and the constitutional question that it has pleaded so far is that the Oklahoma tax violates the equal protection clause.

S.E.U.A. Case Is Agitator

What the S.E.U.A. decision has done, many observers now believe, is simply to focus attention on these state premium taxes and to agitate questions that heretofore have not come to the surface. As a matter of fact, in the Oklahoma case there was an earnest effort made on the part of a number of insurers to suppress the litigation. A number of companies that are required to pay no premium tax in their state of domicile sought to prevent the Oklahoma tax from being litigated because they feared the possibility that the U. S. Supreme Court might, under the equal protection clause, invalidate a law that taxes foreign insurers without taxing a home state company. Also, the Oklahoma governor had indicated that the law would be changed in due course.

Lincoln National Life and Great Northern Life of Chicago, however, declined to dismiss their actions and it appears that if Lincoln National wins this case in the Supreme Court, it will be the only company that will have a proper claim for refund of taxes paid in Oklahoma since the time that the 4% premium tax law was enacted in 1941. Great Northern is likely to have a proper claim for refund for certain of those years but lawyers believe that none of the other companies will have grounds to recover for taxes that they have paid since that time.

The Oklahoma legislature in 1941 passed a law increasing the premium tax from 2% to 4%. The law became effective April 25, 1941, but the insurance

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Air Cargo Future Bright

Airline Official Predicts 86 Million
Ton Miles of Air Freight in Three Years

The future is very bright for air express and air cargo, J. Prescott Blount, manager of the perishable traffic air cargo department of United Airlines, Chicago, said in his talk at a luncheon meeting of the Mariners, organization of Chicago marine underwriters. He discussed the scope of air cargo today, what air freight may consist of in the future, railroad experience with claims, and a comparison of the air and rail claim hazard.

In 1943, he said, the airlines carried 28 million ton miles of airmail and 15 million ton miles of express. Total airline revenue in 1943 was \$118,217,000, divided 72.8% passenger, 20.4% mail and 6.8% express. He believes that the volume of both airmail and express will double in the next two or three years, bringing airmail to 56 million and express to 30 million ton miles.

82 Plane Loads a Day

A new classification of air cargo which can be expected to make a name for itself after the war is air freight, and his personal view is that the total ton miles will exceed those of mail and express combined, or 86 million, by 1947 or 1948. This would mean 28,667 plane loads over a 1,000 mile hop in the present standard DC-3, which has a 6,000 pound capacity, or 82 plane loads a day.

Freight will consist partly of newspapers and periodicals, he said. The "Wall Street Journal" would like to distribute in a wider area, and may use air freight to accomplish the purpose. Other periodicals are contemplating the use of air freight. Fashion clothing may be quite a factor. Here, he said, styles rather than the commodity are perishable. The desire to reduce static inventories will add to the air freight volume, he said.

What Will Go by Air

Among the perishables expected to move by air freight he mentioned mushrooms, fresh figs, nectarines, apricots, cherimoyas, papayas, flowers, sea food, and baby chicks. The airlines handled flowers before the war at 86 cents a ton mile, now are taking them at 70 cents and flower shippers are still glad to get air transportation facilities even at such a high rate.

Mushrooms are expensive and require certain special conditions for high quality. Fifty percent, or about 25 million pounds a year, is produced in one county in eastern Pennsylvania. They are so perishable that they cannot be shipped if taken a distance that requires more than 18 hours. While they sell at 25 to 50 cents a pound in the east close to the source of supply, they are selling for \$1.40 a pound in the west. Moving them by air therefore has proved economical. Fresh figs, grown in California, are a great delicacy. New York City now consumes 150 carloads a year, around 25,000 pounds per car, but they are picked green and are not nearly as choice as when picked ripe from the tree. There would be a much larger potential market if ripe ones reached the east quickly, and if they could be shipped for 20 cents a pound or so. Nectarines are produced only on the coast, and, tree ripened, would have a big market if rapid transportation was available. He said that 30 million pounds of fresh fish from the east and west coasts are eaten in Chicago per year and that the market would expand with comparatively inexpensive and rapid air freight. Baby chicks take very well to air, experiment has proved. They are limited to a shipment distance covering not more than

60 hours or so, and quicker transportation would increase the market.

In 1944 the railroads will pay between \$50 and \$60 million in claims on freight, Mr. Blount stated. The figures for 1942 on 40 million car loads averaged 79 cents per car in claims, or 52 cents per \$100 of revenue. Mr. Blount said that the insurance department of United Airlines, under Frazier S. Wilson, has estimated that the airline freight claims should not run more than 2 cents per \$100 of revenue.

Rail claims, Mr. Blount said, vary largely as to commodity. For example, the cost in claims per car on petroleum is 12 cents. On sewer pipe it is the highest paid on any commodity, and on honey dew melons in 1942 it was \$29.60 per car. Potatoes run 99 cents a car, live stock \$2.30 a car, with horses the most expensive.

He said the average value per car load of perishables on the railroads runs about \$1,000 to \$2,000 on fresh fruits and vegetables, figuring 30,000 pounds to a car. The DC-3 plane will handle 6,000 pounds, but he estimated that the value for fruits and vegetables on them might run \$1,000 to \$2,000 per load with the value on flowers, mushrooms, etc., running as high in some cases as \$10,000.

In shipping by rail the shipper loads and the receiver unloads the merchandise. A considerable proportion of the railroad's help is inexperienced, and every effort is made to get the commodity loaded quickly and under way. On the airline, freight will be loaded by airline employees, and they will be extremely concerned that nothing comes loose in flight. The airlines can be expected to do their own loading and unloading for years. They are primarily interested in protecting the plane.

A great many railroad claims result from carelessness in loading, and a large share of the 52 cents per \$100 of revenue cost in freight claims is due to railroad impact damage. There is no impact in the air, he said. There is some up and down motion, but not enough to budge packages. It is true that the airlines will carry riper and more perishable items, but they will not carry them for so long. Freezing and overheating present problems to the railroads and the airlines, and the latter are now studying the matter. They expect to have recording devices that will keep a record of temperature and humidity throughout the run.

Another factor he mentioned was market deterioration, which influences railroad claims and certainly will result in claims against airlines. How they will be handled has not yet been determined. They may not be insurance losses, he said. The question is whose liability is the loss at distressed prices because weather or other hazards prevent delivery or delivery on time. The airlines will have some problems presented by theft because of expensive items carried, but just what these will be is hard to project.

Mr. Blount was asked what effect pressure has on certain items, and he said that so far as perishables are concerned 15,000 feet seem to make no difference and that is higher than the lines now regularly fly.

Frazier Wilson said that he and Bernard E. Davidson of Rollins-Burdick-Hunter, Chicago, have suggested to the insurance companies that they underwrite experiments in connection with the effects of pressure on such items as radio tubes, the work to be done by Underwriters Laboratories.

Congress Adjourns; Insurance Bills Not Called Up

Stock Fire Group Rejects O'Mahoney-Biddle Anti- Trust Exemption Substitute

WASHINGTON—Congress adjourned Tuesday night without having taken up the insurance legislation.

As Congress rolled along toward adjournment two substitutes for the Walter bill were offered in the Senate. On Monday, Senators McCarran and Ferguson formally introduced the compromise proposal agreed to last week by the commissioners and industry representatives. Senators O'Mahoney and Hatch offered a different proposal fashioned between O'Mahoney and the commissioners, which was agreed to by industry representatives, except those of the stock fire group, and the substance of which is stated to have received Department of Justice approval.

This latter proposal would limit the moratorium from the anti-trust laws to March 1, 1946, and states its purpose as being to enable the states to make their insurance laws conform to provisions of the new bill, of the anti-trust laws, and of the constitution.

Both substitute proposals retained prohibition against boycott, intimidation and coercion, even during the moratorium period.

"So much time was occupied in an effort to bring about an understanding, which was not successful," said O'Mahoney to THE NATIONAL UNDERWRITER, "that it is impossible to get action at present. The conflict finally resolved into whether there should be established a 4-year moratorium, without explanation of its purpose, or a moratorium of sufficient time to allow the state legislatures which will come into session in January to act, with a specific declaration that that was the purpose."

Favors Specific Exemption

"The Bailey-Walter bill, from the very beginning, was intended to secure complete blanket exemption for the entire insurance business from the anti-trust laws. That exemption was always resisted, upon the ground that what the insurance industry ought to have is a specific exemption for specific kinds of combination and cooperative action."

"There never was any objection from any source—and certainly not from me—to granting an exemption from the provisions of the anti-trust laws for specific types of cooperative work, like establishment of rating bureaus, agreements or cooperative action on policy forms, the gathering of statistics, and the like."

"When the state commissioners came to Washington after the congressional recess, their proposal called for a 4-year moratorium, which would have put the whole thing into the next presidential campaign. Of course, it was used as a political football during the recent campaign. Of course a 4-year moratorium would run long after the sessions of the legislature of 1945 would have adjourned. And of course, there was no explanation of the purpose of the moratorium in the commissioners' program."

"At the request of Senator Bailey, I took their proposal and changed the

(CONTINUED ON PAGE 28)

To Revitalize N. D. Association

Disband Federation and Push Agents' Group: Nichols Elected President

The Insurance Federation of North Dakota at its annual meeting last week voted to disband and to turn its funds over to the North Dakota Association of Insurance Agents. It urged all of its members who are eligible to become members of the agents' group.

Immediately after the federation meeting, J. F. Nichols of Oakes, president, called a meeting of the agents' association and the following officers were elected to serve until September, 1945: Mr. Nichols, president; W. R. Koch, Bismarck, vice-president; Charles A. Dawson, Fargo, state national director, and Claire H. Simpson, Fargo, secretary-treasurer.

Aggressive Drive for Members

Amendment of the constitution and by-laws will be in the hands of the following committee: C. H. Warner and C. A. Dawson, Fargo, and W. A. Hart, Bismarck. The association voted to conduct an aggressive membership campaign. Mr. Koch; D. W. Crabtree, Ellendale; F. W. Newberry, Jamestown; G. R. Sickle, Minot; Gil Wagner, Fargo, and A. N. Johnson, Larimore, were named on the committee to handle the drive.

Mr. Nichols appointed as a legislative committee C. H. Warner, Fargo; Messrs. Crabtree, Koch and J. D. Byrne, Bismarck. He also named an interim executive committee to serve until the next meeting with the four officers, H. A. Boe, Grand Forks; Roy Herhusky, Dickinson, and Olaf Underdahl, Rugby.

A series of regional meetings will be held during May. Members of the field club, the North Dakota Fire Underwriters Association, are being solicited to assist in the membership campaign.

Ponder Iowa Tax Revision

DES MOINES — Revision of the Iowa insurance tax laws is being discussed by insurance men in the light of the S.E.U.A. decision.

Iowa companies pay no premium taxes while out of state companies are required to pay 2½%. Some of the Iowa life companies are reported as in favor of a 2% tax, figuring it would lower their tax payments in other states where, on a retaliatory basis, they pay 2½%. The companies are now making a survey of this situation.

It is also felt in some quarters that the county mutuals would have to be brought under the tax law and that they would be required to pay the same as a foreign company or it would show discrimination.

Because of the court decision, a rate law is also being prepared for introduction in the legislature. Iowa has not had a rate law since 1918 when the law, adopted only two years previously, was repealed.

The proposed rate law as now tentatively drawn would cover fire and casualty lines and require every company, except county mutuals, to be a member of a rate bureau that would be supervised by the insurance department.

Hot Springs Agents Elect

HOT SPRINGS, ARK.—Will Lake, acting president of the Hot Springs Insurance Exchange, who has been filling the unexpired term of Clayton Smith, has been elected to that office. Ray S. Smith was elected vice-president and Mrs. Charles Birnbaum secretary-treasurer.

Finance Men Told of Peculiarities in Aviation Field

Members of the Wisconsin Association of Finance Companies, in convention at Milwaukee, were cautioned against projecting future operations in the aircraft finance field on the basis of some of the insurance deals being offered by companies now getting into the aviation insurance business by Gilbert D. Holcomb, manager of Aero Insurance Underwriters, Chicago, because experience may force rates up. He said that a national finance company has projected a plan of charging 6% pure interest on the financing of airplanes, but makes this contingent upon the manufacturer providing it with a 6% discount.

He said aircraft financing is not automobile financing. The automobile can sustain serious damage and not be immobilized, but even minor damage to an aircraft grounds it until repairs are made. Repairs cost proportionately much more in relation to the total value. If a finance company makes a top-heavy loan, relying on the insurance, then the aircraft may be abandoned to it, he said. Consequently single interest insurance isn't as valuable as in the case of the automobile, he said.

Different Master Policy

Mr. Holcomb clarified the master policy for banks and finance companies put out by Aero. Instead of certificates the insurer issues a policy to the purchaser with a copy going to the lending agency. The master policy is issued without charge. It sets out the insurer's obligation to the financing organization or lien holder. There is a consideration in the contract for insurance running to the interest of the finance company, but the premium, \$5 per \$1,000 of lien, is paid by the purchaser. In addition to breach of warranty the master policy covers the financing organization against unlawful secretion and has an agreement to continue single coverage for the lien holder if the insurer has to retire from the basic coverage for underwriting reasons and insurance is unattainable elsewhere.

E. L. Stephenson, manager of Associated Aviation Underwriters, Chicago, attended the meeting and was asked to speak. He said that the aviation insurance markets are operating on a 30 cent share in each dollar of premium and out of this pay taxes, commissions and other expenses of doing business. There is no room in this margin for commissions to finance companies, he said.

Crop Bill Is Now Up to President

WASHINGTON—Passed last week by the Senate, with amendments recommended by its agriculture committee, the crop insurance bill has been agreed upon in joint conference committee, and the latter's report has been adopted by both houses of Congress and the finished measure sent to the White House.

Senate amendments included timber and forests among insurable crops and increased from \$20 to \$30 million payments authorized on flax production.

Sullivan Good Vote Getter

The final vote in the state of Washington shows that Commissioner Sullivan received the second highest majority of all on the ticket in that state. His vote was 462,221 as against 311,293 for G. B. Lamping, Republican candidate, the majority being 150,928. The secretary of state was the only one to get a better majority. Sullivan's majority exceeded that of the President by about 25,000, that of the U. S. Senator by about 63,000, and that of the governor by 127,000.

Royal-Liverpool Veterans Retire

NEW YORK—Frank E. Jenkins, vice-president of Queen and manager of Royal-Liverpool's northeastern departments, and Walter C. Howe, New York metropolitan manager of Liverpool & London & Globe, will retire Dec. 30. Both Mr. Jenkins and Mr. Howe were born in Brooklyn in 1878.

Mr. Jenkins' insurance career started in 1898 with the old Middle States Inspection Bureau in the early days of fire protection engineering. Four years later he became special agent of Norwich Union in New York state and in 1906 general agent, home office and field, for German-American when it was reorganized following the San Francisco fire. In 1912 he joined the Underwriters Association of New York State, where in addition to general administrative duties, he supervised the rating of sprinklered risks.

Mr. Jenkins went with Queen in 1917, was appointed general agent in 1918, secretary in 1920, second vice-president in 1922 and vice-president in 1929. For many years he was a member of the rating methods committee of the Eastern Underwriters Association and from 1928 to 1932 was an active member of the New York Fire Insurance Rating Organization, serving as chairman of the governing committee during most of that period. He has also served as treasurer of the Eastern Underwriters Inspection Bureau since its inception.

Mr. Howe entered the insurance business with Niagara in 1899 and eight years later went with Great American as special agent, remaining for 12 years. He joined L. & L. & G. in 1919 as special agent in central and western New York state and in 1922 was made assistant metropolitan manager, becoming metropolitan manager in 1925. He has served on every committee of the New York Fire Insurance Exchange, has for several years been assistant treasurer and a director of the New York Board. He is chairman of its committee on fire prevention and water supply, director of Prudential of Great Britain and Hudson, trustee of the Manhattan Savings Bank, a founder of the Albany Field Club.

Buyers Meeting Set for Mar. 12-13

NEW YORK—The usual mid-winter insurance conference of the American Management Association has been cancelled this year and because of this the dates of the spring conference usually held in June have been advanced to March 12-13. Sessions will be at the Hotel New Yorker here. The planning council, under A. M. Schmidt, insurance manager Johns-Manville Corp., has already met to plan the program.

Big Crowd for K. C. Xmas Party

The annual Christmas party of the Heart of America pond of the Blue Goose at Kansas City was attended by 140 members and their wives. Alex B. Young, Hartford Fire, m. l. g.; George Bredberg, eastern Adjuster; Chas. L. Day, North British, and Lloyd Barber, Underwriters Adjusting, were in charge of the affair. Mrs. Young did the decorations.

Bamann Heads Rochester Board

Arthur J. Bamann was elected president of the Rochester (N. Y.) Board at a meeting of the directors. Robert M. Markin was elected vice-president, and Arthur L. Griffith, treasurer. Louis Hawes was reelected secretary for the 19th consecutive term. The new officers and directors will be installed at the annual meeting Jan. 15. New directors are C. C. Champion, J. H. Farrell, R. M. Markin, F. M. Loewenguth, D. M. Allyn, Ray Clark and Ray Combs.

Factory-Made Flues May Be Answer to Serious Fire Threat

The introduction of tested factory-made flues which may prove to be an effective answer to the most frequent cause of fires was discussed by John Neale, chief engineer Underwriters' Laboratories, Chicago, before the joint farm fire protection conference in Chicago. In 1943, 67,500 fires were attributed to defective or overheated chimneys and flues with losses totaling \$40 million.

Underwriters' Laboratories has now set up a system for testing these "patent chimneys," one having been approved for use. Over 35,000 of these factory-made flues have been installed, mainly in low cost war housing.

There is a growing feeling on part of a considerable number of architects and heating engineers that the conventional masonry chimney is none too well adapted to modern low cost housing and for use with more efficient heating equipment, Mr. Neale pointed out. Modern heating equipment requires low stack temperatures to prevent waste of heat which in turn causes excessive condensation in masonry chimneys and brings about rapid deterioration of mortar joints. Due to its inefficiency as a draft producer, the masonry chimney has to be made so tall that it is architecturally unsuited to low type buildings. The cost of a standard masonry chimney may be more than twice the cost of a good patent flue and the time needed to build the masonry chimney has been objected to in some of the rush war housing projects. The patent flue is factory built and assembled so that its construction can be checked by proper factory inspection methods. The same cannot be said for masonry chimneys which are built on the job by local labor and would have to be inspected continuously during construction to accomplish the same result.

Many Chimneys Substandard

Many masonry chimneys are substandard, Mr. Neale pointed out, due to defects either of age or inferior construction and these chimneys are responsible for heavy fire losses.

As there was surprising little data in regard to masonry chimneys, Underwriters' Laboratories had to develop entirely new tests. Mr. Neale declared that a standard masonry chimney will not meet the requirements set for the patent flues. The new flue is now available and suitable for use with domestic heating appliances fired with oil, gas or solid fuels. It will last for many years. The new patent flue has two coatings of steel with an asbestos insulation between. It is shipped in two sections.

Mr. Neale also reviewed the developments in flame-proofing of wood. New standards have been set up to protect the legitimate manufacturers who have been retarded in their educational work by exaggerated claims of fly-by-night operators and get-rich-quick promoters who have invaded the field. Impregnation treatment has shown ability to reduce the combustibility of wood as much as 70% and a good surface coating has reduced it by 35%. By the new tests which have been devised the fire hazard of building materials can now be classified, thus discouraging the use of highly combustible materials now being more or less commonly used in place of lumber.

Although flame-proofing treatments have generally been advocated for use where the scarcity of structural steel has made it necessary to use wood, the possibility of using these treatments in rural areas is worth considering. By retarding ignition and reducing flame spread, flame-proofing treatments are especially valuable where fire department response may be delayed and where water supplies may be limited.

Columbia Experts Make Analysis of Premium Tax

Believe Non-Discriminatory Levy Can Be Saved by Federal Legislation

State taxes on insurance which are non-discriminatory as respects out of state companies are probably valid despite the Southeastern Underwriters Association decision and it seems "arguable" that even discriminatory state taxes might be allowed to stand should Congress pass the legislative proposal of the National Association of Insurance Commissioners, according to a memorandum prepared for the Life Insurance Association of America and the American Life Convention by Prof. Noel T. Dowling, professor of constitutional law and Prof. Edwin W. Patterson, professor of insurance law, both of Columbia University law school. Professors Dowling and Patterson believe that the possibility that non-discriminatory taxes might be held unconstitutional could be removed by enactment of the commissioners proposal.

As to discriminatory taxes, assuming no congressional permission, "our general conclusion is that a state premium tax which taxes foreign insurance company premiums at a higher rate than it taxes (or without taxing at all) premiums of like domestic insurance companies would probably be invalid as a discrimination against interstate commerce; it could be saved only by showing a corresponding tax, imposed in some way or other upon the premium receipts of domestic companies only, sufficient to equalize substantially the burdens on domestic and foreign companies.

Power of Congress

"On the point of the power of Congress to permit the continued operation of state laws our general conclusions are, first, that except where such laws involve discrimination against interstate commerce it seems clear that congressional permission will remove the commerce clause objections and thus enable the laws to continue in operation; and second, that even where discrimination is involved, at least such as may be shown under the laws now in force, an arguable case can be made that congressional permission for the continued operation of such laws would not be held invalid."

The memorandum points out that among the several distinctive doctrines developed by the Supreme Court for the protection of interstate commerce, none is more firmly established than that the states may not discriminate against interstate commerce in favor of local commerce, the principle underlying this doctrine being as fundamental as the constitution itself. Citing a number of cases illustrating this doctrine, the memorandum summarizes two recent cases as throwing light on the state premium tax question. In *Hale v. Bimco Trading, Inc.*, a decree was upheld which enjoined the enforcement of a Florida statute that imposed an "inspection fee" of 15 cents per cwt. on all cement imported from outside the state but required no inspection and imposed no fee on cement produced in Florida. It was shown that the so called inspection fee was about 60 times the cost of making the inspection. The Supreme Court treated the fee as a tax and said that the presumption of constitutionality "can not overcome this calculated discrimination against foreign commerce."

In *Best & Co. v. Maxwell*, a New York department store sued to recover a tax which it paid under protest pursuant to a North Carolina statute which imposed an annual privilege tax of \$250 for a license to display goods and samples for

(CONTINUED ON LAST PAGE)

Nov. Fire Losses Increase 6.5%; Up 11.2% in 11 Months

NEW YORK—November fire losses are estimated by the National Board at \$33,847,000, an increase of \$2,200,000, or 6.5%, compared with November, 1943, and the highest November loss since 1931 when the figure was \$35,287,641.

The total for the first 11 months was \$374,844,000, compared with \$332,513,000 in 11 months of 1943, an increase of 11.2%. Monthly figures for 1944, 1943 and 1942 are shown below:

	1942	1943	1944
Jan.	\$35,565,000	\$27,733,000	\$38,572,000
Feb.	30,819,000	33,175,000	38,280,000
Mar.	30,505,000	39,214,000	39,084,000
Apr.	27,960,000	34,241,000	34,746,000
May	23,233,000	29,297,000	32,515,000
June	22,410,000	26,854,000	30,555,000
July	21,000,000	25,016,000	32,706,000
Aug.	19,680,000	29,193,000	30,618,000
Sept.	20,443,000	26,488,000	31,448,000
Oct.	22,621,000	26,661,000	32,173,000
Nov.	24,140,000	31,647,000	33,847,000
Tot.	\$278,376,000	\$332,513,000	\$374,844,000

Seeks 2% Tax on All Lines in Mich.

LANSING, MICH.—Commissioner Forbes, who recently announced he would seek legislation to tax premiums of Michigan carriers as well as outsiders, now says he will recommend a uniform 2% tax on premiums of all classes of carriers, in lieu of the present varying sale. Fire premiums now are taxed 3% and life and casualty 2%.

The commissioner estimates that a flat 2% tax on the business of all Michigan carriers would realize approximately \$454,000 annually on the present volume of business, which would more than counter balance the loss in revenue from the reduction in the fire premium tax.

He wants the law changed in time to apply to 1945 business. Taxes on 1944 business fall due April 1.

"Ad" Conference Slated for Rye, N. Y., Jan. 14-15

The Insurance Advertising Conference will hold its annual two-day meeting Jan. 14-15 at the Westchester Country Club, Rye, N. Y. The business session will be held at 4 p.m. Sunday, Jan. 14, with the president's reception and the annual dinner following. The Monday session opens at 10 a.m. and the meeting will adjourn at 4:30 p.m.

Illinois Agents Set 1945 Meeting Nov. 7-8 at Peoria

At a meeting of directors of the Illinois Association of Insurance Agents held in Chicago it was decided to hold the 46th annual meeting at the Pere Marquette Hotel, Peoria, Ill., Nov. 7-8, 1945. Lyle H. Gift already has been named by the Peoria association as chairman of the registration committee. He is a past president and board chairman of the state association.

Renominate in Hartford

The Hartford Board of Fire Underwriters has nominated for reelection: Lt. Col. Daniel J. Mahoney, president; John Ashmead, vice-president; Edwin S. Cowles, Jr., secretary-treasurer; Fred M. Castonguay, chairman of the executive committee. Other members are Ray G. Wetstone, H. Leon Viets, Solomon Baumstein, and Harold Messenger.

Aurora, Ill., Agents Elect

New officers were elected at the annual meeting of the Aurora (Ill.) Association of Insurance Agents. They are: President, Herman Offutt; vice-president, R. W. Barron, Mitchler & Barron; secretary and treasurer, H. H. Evans, Frazier & Evans.

IN THE FIELD WITH

OLD IRONSIDES

By H. J. B.

I've come to the conclusion that if you meet the average field man on the road and put up the question like it says in the railroad stations "Is this trip necessary?" he would have to give you an honest answer where its either "No" right out, or "Well, maybe not," or "Could be," but there's a lot of the half wits would say like they do on the radio, "Would you repeat the question, please?" I mean these dummies are traveling around at high prices making what they call agency visits, but there isn't one out of 100 realizes the way I do that the only reason he is on the road is to cop off all the premiums he can get his hands on, and if he has to double cross his best friend or slit somebodys throat, whats the difference as long as he gets the business. The president of the Old Ironsides isn't interested in have I good a good bridge pal on the road or do the other field men like me. All he wants to know is when am I going to pull another fast one, and will I get away with it, and how much is it going to get the company in premiums? Every time I go to a town he expects me to rig up a deal where I go south with somebody elses business, and if I'm not going to do that, why what's the use of making the trip in the first place?

Take for an example, Joe, the deal where the U. S. Supreme Court says agency separation is a dead pigeon. What is anybody doing about it? Well, as far as I can find out, I'm the only one who is moving a muscle. I mean here is the chance of a life time, and everybody else is so dead on their feet you would think the Old Ironsides was the only non-affiliate company that could cash in on it. Either I am smarter than hell and the rest of them are just dumb or vice versa. Only thing is, my mother never raised any dopey children, Joe, and you know it.

If the other boys in the field would only use their noodle the way I do they could ring the bell the same as I have ever since this S.E.U.A. decision was put out by nine old men. Difference is they are horsing around figuring would it be safe to sneak home Thursday night, or where is there some agent they can put the tap on him for a saw buck until the next time they are in town, or how can they charge up some trip they are never going to take. Stuff like that. I don't claim to be any lily, Joe, but when I pull a deal I don't want any five and ten cent store petty larceny. I mean if I go out of bounds I like to do it in a big way. No cheap chiselling.

All right. Now getting back to where the Supreme Court says separation is out. Leave me show you how that is the nuts for me, and it could be for any other non-affiliate field man if he had the stuff to throw the old one two punch. I go into some toney ageincy represents nothing but the top companies. Absolutely no dogs. I mean in ordinary times the man wouldn't even speak to me. Right off the gong I tell him I want him to take the agency of the Old Ironsides Fire & Marine. He practically has a heart stroke over even the idea. He tells me he has nothing but the biggest and best in his office, never has had anything else, and how ridiculous it is I would even mention the name of my broken down company in the same breath with the ones he represents. I just stand there and take all that guff, because I know what the routine is going to be, and besides it's just what I want him to say. I let him blow off all his steam before I open up on him.

Joe, you've seen in the movies how

these lawyers move in on a witness slow and easy like he was a friend just talking it over. That's my act. I agree with everything this loud mouth tells me, and then I prove to him he is right. That quiets him down, and then I give him both barrels. I say to him, "The trouble with the way you're acting is, you're fixing to get yourself a good big stiff fine or in jail or maybe both, and I'll tell you why. The only reason you won't take the Old Ironsides into your agency is its not like the Hartford and Home and America Fore, on account of it doesn't belong to the different organizations and bureaus and things like that. Instead of the companies in the W.U.A. putting the separation squeeze on me you're doing it, so you are violating the hell out of the law that says nobody can separate a company out of an agency. That is the Supreme Court decision. It don't make any difference to the Supreme Court if you are a company or a agent if you pull the old separation gag like you just done on me you are guilty as hell and the Supreme Court is no marshmellow to monkey around with if you are in contempt of court, and you ain't anything else right now."

Well, Joe, usually by this time he is hanging on the ropes, breathing hard, and wishing he had never open his big fat mouth to tell me how he has only certain kinds of companies in his agency and wouldn't give house room to any others. I tell him he is in restraint of trade, anti-trust, monopoly and everything else in the book that Attorney General Biddle and Senator Mahoney and the Supreme Court hates worse than poison, and is filing suits all over the place. It gets down to where I have him taking in the Old Ironsides just to get me off his back, and to show he is democratic, and how he is not restraining or interfering with anybody, and is strictly in line on all the laws, particularly the one about agency separation. I have to be careful to pull this only in the small towns. It is too rough and crude for the boys in the bigger places, but it never misses in those whistle stops.

You are a good listener, Joe, so while we are lapping up a little Christmas cheer together, leave me get off of my chest another item has been getting my cork. Why don't you try a shot of this Southern Comfort, Joe? This stuff has a kick it makes a zombie look like a cherry phosphatate. All right. Now here's what I'm talking about. The people who are cleaning up big in this country today are the Ciofo, the AfofL, the Paofo, the Teamsters Union, the Garment Workers Union, the United Automobile Workers Union and so on. I mean they are all Unions. They got millions of Union members. They are stronger than horse radish. If you are a Union or a Union member everybody is kissing your foot, and you can get anything you want.

O.K., so where do the fire insurance companies come in on this deal? Well, they don't come in on it at all, and you know why? Because a few years ago some smart company official, or maybe a committee working on unfinished business, decided to change the name of the Eastern Union and Western Union to where its Underwriters Association. All they did was they threw that word Union out the window, and its the hottest word in the English language today. Harry Yates told me he was traveling in southern Illinois one time when they was a coal strike on, and some agent had a sign in his window, "Only Union Companies Represented." Get it, Joe? That boy was a smart cookie. Suppose you could go out today and talk around how you represent a Union company, or you are a Union agent, or you pay

Union commissions, brother would you be sitting in the golden chair. Anybody wouldn't want to go along with you would be bucking the Union. You see what I mean, Joe. If the companies could put out that Union talk they would be sitting as pretty on the Union angle as F.D.R. himself.

Just one more thing before you leave, Joe. I want you to take a gander at the Christmas card I am sending out. It don't look fancy, but boy does it pack a wallop! It's certainly going to make the other field boys ashamed of themselves for not thinking up something like it. Here it is:

SANTY CLAUS IS NOT DEAD

Best wishes, my friend, lots of old Christmas cheer
With plenty of whiskey, wine, gin and some beer.
This is the season when friends greet each other
With thoughts of plum pudding, sleigh bells, home and mother.
We're not sending you calendars or a box of mixed nuts
Like others are doing, but we've got the guts
To tell you that starting in 1945
We're making your commissions a straight 35.

This deal is a stand out, a neat Christmas gift
Not the usual crap, but something special and nifty.

This proves that there sure is a real Santy Claus
It's the Old Ironsides, the best that there ever was.

So when you need help from a company that never is mean
Just call on Old Ironsides Fire & Marine.

NEW YORK

HONOR 25-YEAR GROUP

For 25 years' or more continuous service, seven members of the staff of Alfred M. Best Co. were honored at the celebration of the company's 45th anniversary. The seven are: Raymond T. Smith, vice-president and Chicago resident manager; Marion F. Millar, secretary of the corporation and secretary to Mr. Best; Harold H. Johnston, editor of the key rating department; Joseph P. Byrne, editor of the fire and marine insurance department; Edward J. Fitzsimmons, editor of the life insurance department; Ruth Orme, manager

of the billing department, and Eva Nickerson, chief telephone operator. Gifts were presented to each member.

Women Hold Xmas Party

The Insurance Women of New York held their annual Christmas party Monday in the Royal building. There were about 80 present, including Mrs. Ada V. Doyle, president of the National Association of Insurance Women.

Thomas J. Clark was elected president of the Brooklyn Insurance Brokers Association at the installation meeting.

Discusses Effect of Fire Form Changes on Sole Ownership Question

Doubt as to the exact legal effect of the changes made in the 1943 fire policy with relation to real estate under the unconditional and sole ownership provisions was expressed by McCune Gill, vice-president of the Title Insurance Corporation of St. Louis in his talk at a luncheon meeting of the St. Louis Board.

The clauses of the new policy having to do with ownership or change of ownership are as follows, Mr. Gill said:

"Assignment of this policy shall not be valid except with the written consent of this company." "The entire policy shall be void if the insured has wilfully concealed or misrepresented any material facts or circumstance concerning the interest of the insured therein."

In one decision a Missouri court held that "the condition of a policy as to unconditional and sole ownership by the assured is held to relate to the question of ownership at the time of the issuance of the policy, and if not then true the policy is void from the beginning, and no change in the character of the ownership, even though it was a change to unconditional and sole ownership, could vitalize the policy without the insurance company's consent" and that "if the ownership (of assured), though it may have been unconditional and sole at the time of the issuance of the policy, was not of that same character at the time of the loss, he was equally not entitled to recover."

Precautions to Be Taken

He suggested that an insurance broker is not the agent of the company and that notice to the broker is not notice to the insurer, under Missouri court decisions. He said precautions should be taken to guard against a discrepancy between the named assured and the name of the actual owner of the property. The holder of a deed of trust should make sure that the trustee named in the mortgage clause attached to the policy is not described as "mortgagee." When checking insurance policies that run to the correct owner, inquiry should be made as to the ownership at the time the policy is written and as to intermediate transfers, mortgages and notices of foreclosure. New policies or waivers by the insurance agent should be insisted upon if coverage was not correct at all times at and after the issuance of the policies.

Julian's Successor in Doubt

BIRMINGHAM, ALA. — Indications are that no appointment will be made for some time as superintendent of insurance of Alabama to succeed the late Frank N. Julian. Brooks Glass is deputy superintendent in charge and the department is under the general direction of Miss Addie Farish, head of the state department of commerce.

E. G. Hunt, director of Cox & Kings, brokers at London Lloyds, is visiting this country and conferred in Chicago with Howard K. Hurwith of the Enger, Bariett & Hurwith agency there. The agency represents Cox & Kings for 44 states. Additional reinsurance facilities are being arranged and the agency will handle all lines for the London brokers.

Four Experienced Men Move Up in Fire Association

Lincoln M. Michel, recently elected secretary of the Fire Association group, joined the companies after his graduation from Williams College, Mass., in 1933. After training in Philadelphia and later in the field, Mr. Michel went to the head office and in 1942 assumed jurisdiction of Philadelphia and Philadelphia suburban operations.

Edward H. Brooks, newly elected assistant secretary, began his insurance career in Massachusetts and joined Fire Association in 1926. From general underwriting he was assigned to the special risks and general cover department at the time of its creation in 1931, becoming manager in 1939. There is no change in his duties.

Harold M. Estabrook, a graduate of Massachusetts Institute of Technology, recently went to the head office after serving the companies as special agent in Massachusetts for seven years. In his new capacity he will supervise operations in New England, New York (excluding New York City) and New Jersey. He is also newly elected assistant secretary, along with S. Arch Richards. The latter attended the University of Kansas and joined Fire Association in 1939 in charge of the automobile loss department. In 1942 he was transferred to general underwriting and in his new capacity will be in charge of underwriting in Pennsylvania (excluding Philadelphia) Ohio, West Virginia, Maryland, Delaware and District of Columbia.

Complete Program for Fire Department Instructors' Conference at Memphis

The program for the annual fire department instructors conference at Memphis Jan. 9-12 has been completed. The affair is sponsored by the Memphis fire department, and the fire prevention department of the Western Actuarial Bureau, of which Richard E. Vernor is manager. Mr. Vernor and his associates, Harry K. Rogers and E. T. Cox, are chairman, vice-chairman and secretary, respectively, of the conference.

Speakers include J. F. MacMillan, local agent at Cocoa, Fla., and manager of the Florida State Fire College, on "Fires in 1944"; Warren Y. Kimball, editor of the "Volunteer Fireman" of the National Fire Protection Association, "Progress in Firemen's Training"; Mr. Vernor, "How to Kill a Meeting"; R. D. MacDaniel, vice-president of Grain Dealers National Mutual, Indianapolis, "Shorts and Shocks"; Calvin G. Lauber of the National Board, New York, "The Elmira Fog Tests"; John A. Neale, chief engineer of Underwriters Laboratories, "Fire Hazard Classification from Building Materials," and Carl H. Roggenkamp, Ohio state agent of Security of Iowa, "Organizing Communities for Fire Prevention."

Cleveland Gas Explosion

The Cleveland gas explosion and fire will be discussed by two speakers, H. L. Krieger, chief engineer of the Ohio Inspection Bureau treating "How the Stage Was Set," and Chief Granger of the Cleveland fire department, "Fighting the Fire." At the Wednesday luncheon Leonard C. Lund, deputy Minnesota insurance commissioner, will act as chairman, and Commissioner McCormack of Tennessee will discuss "Determining Fire Causes."

Robert F. Hamm, fire department instructor of the Indiana Inspection Bureau, will participate in a skit. There will be a presentation of methods of extinguishing magnesium fires. The motion picture program Monday evening will be in charge of Milton I. Parker, chief engineer of the Missouri Inspection Bureau, St. Louis.

1929-1944



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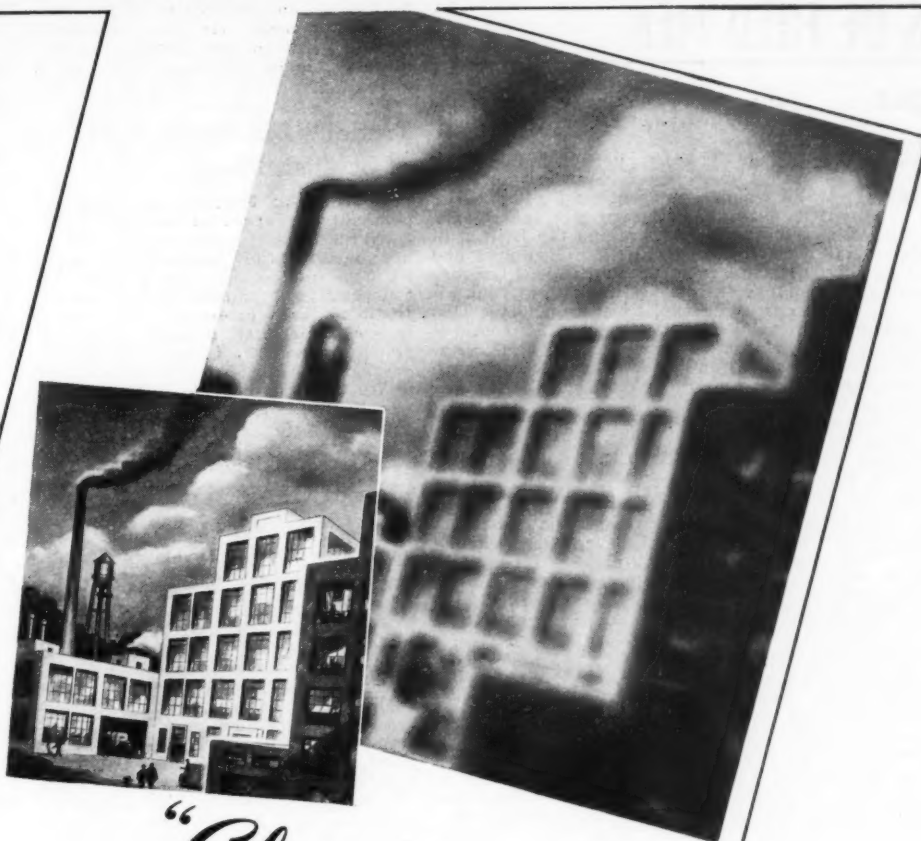
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NEWS OF FIELD MEN

Aetna Rearranges Field in Va. and Middle Department

In the interest of expanding business, the Aetna Fire group has made several rearrangements in its field force serving Virginia and the states comprising the middle department.

Special Agent Thomas H. Bramhall, who has been supervising business of World Fire & Marine in Virginia, Maryland and the District of Columbia from Baltimore, is being transferred to Richmond as special agent of Aetna, World F. & M. and Piedmont Fire. He will be associated with State Agent G. Gordon Long and Special Agent P. W. Jerome. Mr. Bramhall will be succeeded by State Agent B. L. Gregory, who has associated with him State Agent R. F. Morton and Special Agent E. C. Waterhouse. Their headquarters will remain at 425 Walnut street, Philadelphia. Messrs. Gregory, Morton and Waterhouse have been with Aetna for many years, have had wide experience and are thoroughly familiar with the territory. The company will continue to maintain a service office at 505 Garrett building in Baltimore.

Handle Md., D. C. from Hartford

Agents for World F. & M. in Maryland and the District of Columbia will be returned to the jurisdiction of the company's long established middle department under direction of Vice-president Robert S. Garvie, Secretary M. B. Seymour and Agency Supervisor Andrew Ferguson, at the home office. Secretary Seymour was for many years state agent of Aetna in Maryland and the District of Columbia. The marine business of the middle department will continue to be supervised by the Atlantic marine department under the direction of Marine Manager W. J. Horner and Special Agent Cortland F. Luce. Head-

quarters of this department are at the company's Walnut street office, Philadelphia.

With the resignation of J. L. Brandmaier, manager of Standard of New York and state agent for Piedmont Fire in central and eastern Pennsylvania, Maryland, Delaware and the District of Columbia, supervision of Piedmont and Standard is under State Agent Gregory and his associates in eastern Pennsylvania, Maryland, Delaware and the District of Columbia; under State Agent A. S. Poffenberger in east central Pennsylvania, and under State Agent S. B. Illingworth in west central Pennsylvania.

C. R. Newman Returns to Travelers Fire from Army

Clifford R. Newman, who left Travelers Fire and Charter Oak Fire in 1942 to enter the army, has received an honorable discharge and has been assigned to the Hartford area as a special agent to serve under Manager William T. Hickey.

After receiving his army basic training at Atlantic City, Mr. Newman was assigned to AAF ground crew services at Salt Lake City in an administrative capacity. He was transferred to Yakima, Wash., and then to Blythe, Cal., where as member of the headquarters squadron he assisted in taking over administrative functions of a heavy bomber and glider base. A few months later he was sent to Galveston to assist in setting up a new field for training fighter pilots and crews of heavy bombers. He was at Galveston for more than a year on the flight line in the engineering section, whose function it was to maintain ships and equipment in operating condition. He held the rank of technical sergeant when discharged.

Prior to entering service he had been with Travelers Fire since 1927, when

he became an underwriter in the eastern department. He was appointed special agent in the Hartford district in 1932, and in 1936 was transferred to Yonkers, N. Y.

Trudelle Ind. State Agent of Scottish Union

William A. Trudelle has been appointed state agent of Scottish Union & National for Indiana. Since 1941 he has been special agent of Fireman's Fund in Indiana. He was born in Chicago and is a graduate of the Armour Institute fire protection engineering course. His first position was with North America in Chicago in 1935 as an engineer. He joined Fireman's Fund in its Chicago office in 1940 and was sent to Indiana the following year.

Pacific Northwest Field Men to Confer in Seattle

SEATTLE—The joint annual meeting of the Special Agents Association of the Pacific Northwest will be held here Jan. 12. H. C. Rowles, North British, is president western Washington division which will be host to the Oregon division.

There will be a business session at 2 p. m. at which officers and committee chairmen will submit reports. The western Washington division will elect officers. The Oregon division is holding a short business meeting at Portland Jan. 2 at which it will elect officers. There will be a social hour and banquet in the evening. J. D. Hurley, Edward Brown & Sons, is president of the Oregon division. Arrangements for the joint session in Seattle are in charge of Paul F. Harrington, New York Underwriters.

At the monthly meeting of the Oregon division in Portland George W. Haerle of Charles W. Sexton Company reported on the recent producers' meeting with company executives in Philadelphia. President J. D. Hurley reported on the meeting of the contact committee of the Oregon Insurance Agents Association with the Oregon

Conference Committee in San Francisco.

Two Eagle Star Field Men Go with American

NEWARK—Two field men of Eagle Star have been appointed in similar capacities by American of Newark and will represent all fire companies of the group. American is reinsuring Eagle Star's fire and allied lines business as of Feb. 8.

D. P. Hague-Rogers, who has served Eagle Star in this country for the last 10 years, will be assigned to a territory in the Pennsylvania field. He was for seven years in the Ohio field and for the last three in Pennsylvania.

John N. Cosgrove, who was office manager of American Reserve from 1932 until Sept. 1, 1944, and special agent of Eagle Star in the Syracuse territory since that date, is being transferred to the northern New Jersey field by American. He will be associated with State Agent Samuel H. Reiter, with headquarters in Newark.

No Jan. Ohio Field Meetings

The Ohio Fire Underwriters Association and the Ohio Association of Fire Underwriters will hold no meetings in January. The next meeting will be in Cleveland Feb. 6 in connection with a Blue Goose meeting. Tentative dates for meetings to follow, all to be held in Columbus, are March 6, April 10 and May 8.

Make 9,455 SWIS Inspections

The report of the fire prevention department of the Western Actuarial Bureau on the inspection work of field men in connection with war plants as of Dec. 15 shows 9,455 original inspections made in 19 states and 994 reinspections. A total of 3,295 original inspections and 926 reinspections are reported for Indiana; 1,206 and 52 for Michigan and 1,873 for Ohio.

Fisher with Manufacturers Fire

Galen H. Fisher has been appointed special agent in eastern Pennsylvania by Manufacturers Fire. Mr. Fisher's headquarters will be at the home office in Philadelphia.

Clarke with American General

Alden M. Clarke, Houston, Tex., formerly with the Texas Insurance Checking Office and the Texas insurance department and more recently field supervisor for Trezevant & Cochran, has joined American General.

Farewell for Three Iowans

Iowa field men will give a farewell dinner in Des Moines Dec. 26 for James E. Bright, former Iowa state agent of North America, who has resigned to enter agency work in Omaha, Neb.; Russell H. Petefish of the same company, who is being transferred to the home office, and Maurice P. Griffin, special agent of Phoenix of Hartford, who is being transferred to Wisconsin.

E. N. Pearson Okla. President

The Oklahoma Fire Underwriters Association has elected E. N. Pearson,

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Aetna Fire, president, to succeed J. N. Jones, Phoenix Assurance. L. H. Singleton, Sun, was chosen vice-president and H. E. Pate, Commercial Union, was re-elected secretary-treasurer for a third term.

New members of the executive committee are J. K. Snodgrass, Crum & Forster; D. J. Tanner, Boston, and R. W. Wallace, Royal-Liverpool.

Honor Okla. 25-Year Veterans

At the December meeting of the Oklahoma Blue Goose, 25-year buttons were awarded to 30 members. The ceremony was conducted by the historical committee, headed by Leonard Gray, Oklahoma Inspection Bureau.

Massman Rochester Head

The Rochester (N. Y.) Field Club elected these officers for 1945:

President, William F. Massman; vice-president, Dan L. Fischer; secretary, Frank A. Beugless; chairman executive committee, Chauncey E. Smith; members executive committee, J. M. Richardson, J. A. Riley, G. M. Tomlinson.

Honor Schively's Memory

As in former years, since the death of John H. Schively, for many years, wielder of the San Francisco Blue Goose, the Christmas luncheon Monday was devoted to his memory. A. M. Brown, Jr., of Edward Brown & Sons, was chairman. Fred D. Parr, president of Cal-Union Agencies, gave "A Christmas Message—1944".

Zahl Back in West Texas

Ernst Zahl has been transferred to Amarillo by the Firemen's group as special agent for west Texas. He occupied that position when he entered the service in December, 1942. He received a medical discharge last February and returned to the group in another position.

The Christmas party of the Indiana Blue Goose Saturday night was an outstanding success with something more than 175 reservations for the dinner.

H. G. Zimmerman of the L. E. Ellis & Co. agency of Des Moines gave a talk on religious history before the Iowa Blue Goose.

CHICAGO

NORTH AMERICA "VETS" GATHER

Members of the North America Quarter Century Club in the Chicago region held a dinner to which Vice-president T. Leaming Smith from the head office brought greetings. C. G. Kuechler with 31 years of service was master of ceremonies. A talk was made by W. S. Foster, retired associate western manager. The Quarter Century Club nationwide now has a membership of 195.

\$250,000 BOX FACTORY LOSS

The insurance loss resulting from the fire which destroyed a section of the Maxwell Brothers paper and wooden box factory at 2300 Morgan street, Chicago, will be approximately \$250,000, according to preliminary estimates.

Fire broke out in the large building in which paper boxes were made, and this structure with its contents are a total loss. The building was owned by the Burlington railroad, and there was \$26,000 insurance. It was leased by Maxwell Brothers. Several pieces of

equipment, including those for use in slitting, cutting, creasing and stapling, were destroyed. The original cost of one of the machines was \$65,000.

In addition there was some exposure loss to the buildings on the north, owned by Maxwell brothers, and a large storage shed and its contents of paper were completely destroyed. Altogether about 50,000 tons of paper were burned up.

There was \$508,000 insurance on contents and buildings owned by the Maxwell firm, estimated at about 40%, and

the company had \$282,000 use and occupancy. The business was placed by Cloldt, Gielow & Dudley, Chicago agency. Lumber for wooden box making, stored on the grounds, was not damaged, though there was \$130,000 insurance. The firm, whose output was used to pack field rations for American combat forces, is continuing with its wooden box production. No estimate has been made of the U. & O. loss.

The Maxwell plant was a series of five one-story buildings along the south branch of the Chicago river, con-

nected by frame passageways with brick fire walls. The fire boat "Fred Busse" and three coast guard vessels augmented fire apparatus and stood by to keep the flames from spreading.

E. L. Powers, Underwriters Adjusting; T. F. Charlton, Western Adjustment, and Martin J. Powers, independent adjuster, are handling the loss.

PLAN FOR EAGLE STAR WINDUP

Harry Routh, world fire manager, and H. G. Casper, United States manager of Eagle Star, were in Chicago Monday

Talbot, Bird & Co., Inc.

ANNOUNCE

*Their Appointment as World-Wide
Marine Managers of*

General Insurance Company of America

Effective JANUARY 1, 1945



*Also
Marine Managers
for
Eagle Star
Insurance Co., Ltd.
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FIRE SPECIAL AGENT

Here is a College Graduate with 4 years underwriting and two years special agency experience with outstanding companies. He has a pleasant personality that goes over with agents. Prefers Wisconsin.

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and Tuesday to meet with members of the Chicago office and four field men of the middle western states in connection with the program under which Eagle Star effective Feb. 28 is reinsuring its fire and allied line business in American and is discontinuing the writing of such business in this country. This was Mr. Routh's first visit to Chicago.

KNIGHTS HAVE GRIDIRON FUN

The Knights of the Round Table of the Union League Club of Chicago at their annual joust and tournament last Saturday enjoyed another period of gridiron entertainment of pitiless nature, the victims this year being E. H. Born, assistant manager Western Underwriters Association, and E. M. Griggs, associate general counsel of the National Board, who were being installed as esquires, and R. E. Vernor, Western Actuarial Bureau, who was being elevated to knighthood.

A. F. Powrie, Fire Association, was reelected president; S. M. Buck, Great American, vice-president; Carl Ingram, Great American, scribe, and Roy Selery, Western Adjustment; E. G. Frazier, Springfield F. & M.; C. W. Ohlsen, Sun, sergeants-at-arms.

Every member of the Fireman's Fund organization in service will receive a

Christmas gift of \$50 from the company, accompanied by a letter from President Charles C. Hannah, extending season's greetings and good wishes.

**Edgar U.S.F.&G.
N. Y. Head; Oakley,
Estwick to Retire**

NEW YORK—Alonzo Gore Oakley, vice-president at New York of U. S. F. & G., has requested retirement Dec. 31 but at the company's urging has consented to remain until early spring in an advisory capacity.

W. H. Estwick, manager of the New York office, has also asked to be retired of as Dec. 31.

Assistant Manager A. A. Jackson will automatically retire April 1 after 44 years of service.

W. A. Edgar, now manager at Philadelphia, will become manager of the New York office Jan. 1. R. L. Walker, now an assistant manager in New York, will succeed him at Philadelphia.

Mr. Oakley has served the company with distinction for 47 years, longer than anyone in its employ. He has been in charge of U.S.F.&G. affairs in

**Alex H. Case Again
Offers Christmas Toast**

Alex H. Case, prominent local agent at Marion, Kan., again this year is carrying on the splendid tradition that was started by his father, the late Rosse Case, in arranging for a toast to be spoken coincidentally Christmas Day by insurance friends throughout the world. The toast is to be given at 11:01 a. m., central war time. The following is the toast for this year:

"We may build more splendid habitations, Fill our rooms with paintings and with sculpture, But we cannot Buy with gold the old associations."

New York since 1911. Manager Estwick has served the company for 40 years.

Mr. Edgar was formerly vice-president and agency director at the home office. He went to Philadelphia as manager in 1934 and during three years that office has won the Davis cup, the company's highest award for distinguished service among branch offices.

Gallagher Leaves War Department

WASHINGTON—Lieut. Col. Frank Gallagher, who has served as casualty specialist in the war department insurance division headed by Col. Reese Hill, is leaving the army Friday, to reenter the insurance business after taking a holiday. He says his job here is finished. Before entering the army he was with Royal Indemnity in New York.

It is reported Arthur S. Kuenkler may take on casualty work under Col. Hill.

A. G. Stanten of the Phoenix-London group, New York City, has been notified that his son, Pvt. Arthur G. Stanten, Jr., of General Patton's 3rd army, 5th

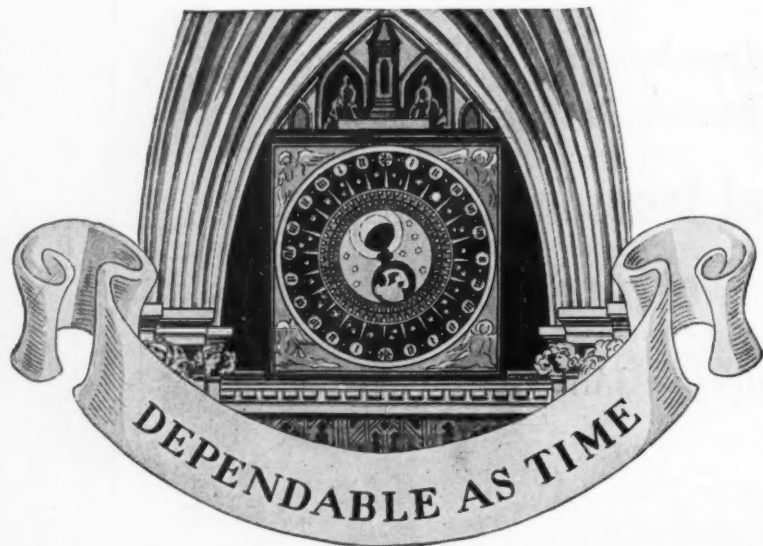
STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago
Dec. 18, 1944.

	Par	Div.	Bid	Asked
Aetna Cas.	10	5.00*	133	137
Aetna Fire	10	1.80*	50	52
Aetna Life	10	1.50*	40	42
Amer. Alliance ..	10	1.05*	22 1/2	23 1/2
Amer. Cas.	10	.60	11 1/2	12 1/2
Amer. Equitable ..	5	1.00	16	17
Amer. Home	10	...	10 1/2	11 1/2
Amer. (N. J.) ..	2.50	.60*	15	16
Amer. Surety	25	2.50	59	61
Balt.-Amer.	2.50	1.30*	6 1/2	7
Boston	100	21.00*	615	630
Camden Fire	5	1.00	20	21
Contl. Cas.	5	1.80*	45 1/2	46 1/2
Cont. Assn.	10	1.20	40	42
Contl., N. Y.	2.50	2.00*	48 1/2	50
Fidelity-Phen.	2.50	2.20*	52	53
Fire Assn.	10	2.50*	65	67
Fireman's (N.J.) ..	5	.40	12	13
Fireman's Fund ..	10	3.00	87	89
Franklin Fire	5	1.00	22	23 1/2
Glens Falls	5	1.85*	43 1/2	45
Globe & Repub.	5	.50	7 1/2	8 1/2
Gt. Amer. Fire	5	1.20*	29	31
Hanover Fire	10	1.20	26	27
Hartford Fire	10	2.50*	100	103
Home (N. Y.) ..	5	1.20	27 1/2	28 1/2
Ins. Co. of N. A. ..	10	3.00*	89	91
Maryland Cas.	1	...	8	9
Mass. Bonding	12.50	3.50	73 1/2	75 1/2
Natl. Cas.	10	1.25*	28 1/2	30
Natl. Fire	10	2.00	57 1/2	60
Natl. Liberty	2	.30*	6 1/2	7
Natl. Un. Fire	20	5.00*	168	173
New Amst. Cas.	2	1.00	27 1/2	28 1/2
New Hamp.	10	1.80*	44	46
North River	2.50	1.00	21 1/2	22 1/2
Ohio Cas.	5	3.00*	84	87
Phoenix, Conn.	5	1.00*	12	13
Preferred Accl.	5	1.40*	33 1/2	35
Prov. Wash.	10	1.40*	71	73
St. Paul F. & M.	12.50	2.00*	32 1/2	35
Security, Conn.	10	1.40	120	123
Sprgfd. F. & M.	25	4.75*	35	37
Standard Accl.	10	1.45	530	540
Travelers	100	16.00	39	41
U. S. F. & G.	10	1.50*	49	51
U. S. Fire	4	2.00

*Includes extras.

division, 2nd infantry regiment, was wounded in action in France Nov. 10, during the early days of the 3rd army's drive toward Metz. He is convalescing in a general hospital in France.



THIS renowned clock decorating the facade of England's Wells Cathedral is of outstanding interest to visitors not only because of its great beauty but also for the inexplicable reason that it was concealed within the walls and uncovered by sheer accident fifty-five years ago.


The Phoenix-London Group is

also of outstanding interest to progressive agents who seek a company having long experience and sound judgment in the fire, casualty and marine insurance fields.

More than amply qualified to give complete protection with broader, more diversified coverages, this Company has never digressed from the same high traditions of its founders!

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 PHOENIX INDEMNITY COMPANY



THE SPRINGFIELD GROUP
W. B. CRUTTENDEN, President

SPRINGFIELD FIRE & MARINE INSURANCE COMPANY	SPRINGFIELD, MASS.
CONSTITUTION DEPARTMENT	SPRINGFIELD, MASS.
SENTINEL FIRE INSURANCE COMPANY	SPRINGFIELD, MASS.
MICHIGAN FIRE & MARINE INSURANCE COMPANY	DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY	SPRINGFIELD, MASS.

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Analyzes Cleveland Gas Explosion

CLEVELAND—About 50% of the 2,160 individual claims presented to the East Ohio Gas Co. arising out of the Oct. 20 fire have been settled for \$1 million, J. F. Robertson, president, has announced. The company will pay the city \$300,000 for repairs to streets and utility mains, he said.

The National Fire Protection Association has published a report on the gas explosions and fire that apparently started with the liquefied gasholders of East Ohio Gas Co. at Cleveland, Oct. 20.

One possible theory as to the origin is that some time previous to the disaster an undetected leak may have developed in the inner torso segmental tank permitting the liquid to enter the insulation chamber, where it vaporized and built up tremendous pressure, eventually causing a break or tear in the outer shell. This rupture of the outer shell together with friction could cause ignition of the vapors.

Another possible theory is that in some way moisture accumulated in the middle wool insulation between the inner and outer shelves. This would reduce the insulating value of the mineral wool, and result in more rapid transmission of heat to the interior. A local heating of the interior tank might cause unequal expansion with stresses that, at the extremely low temperature, could cause failure of welded joints.

The two containers which released their contents in this fire contained more than one million gallons of liquid gas, and this would naturally flow in liquid form for some distance, following available drainage channels. For several hours after the initial fires, explosions of great intensity rocked the neighborhood south of the fire.

While praising the work of the fire department, the N. F. P. A. states that the municipal fire department of Cleveland is comparatively small for an industrial city of one million population covering an area of 71 square miles. The fire department had in service only some 36 engine companies of which 27 worked at this fire. There were at one time but three engine companies in quarters to cover the entire city. Cleveland has suffered many large fires in recent months.

Change OCD Award Plans

WASHINGTON—At a meeting of the office of civilian defense security awards committee Tuesday, it was decided that the present program of making awards for plant protection and fire protection shall end March 1, 1945.

L. & L. Ky.-Tenn. Veteran Retires; Gibson Advanced

John L. Smith, a veteran of 57 years in insurance field work in Kentucky and

Tennessee, is retiring as state agent in those states for London & Lancashire. He is succeeded by George G. Gibson, Jr., who has been Mr. Smith's assistant. Mr. Smith started in 1887 with City F. & M. of Louisville and has been with L. & L. since 1918.

Heads Insurance Unit of New York Board of Trade

NEW YORK—W. F. Beyer, vice-president of Home, was elected chairman of the executive committee of the New York Board of Trade insurance section at its annual meeting. He succeeds G. R. Michelsen, Hall & Henshaw, who has served two terms. G. W. Crist, Jr., vice-president Fidelity & Deposit, was elected vice-chairman. H. W. Schaefer, representative on the board, and G. A. Buckingham, secretary-treasurer, were re-elected. The following were elected to the executive committee: C. S. Ashley, Maryland Casualty; A. N. Butler, Corroon & Reynolds; R. S. Choate, American Automobile-Associated group; C. D. Connell, Provident Mutual Life; F. N. Dull, Continental Casualty; W. J. Falvey, Massachusetts Bonding; J. P. Fordyce, Manhattan Life; Harry Gardiner, John Hancock; J. R. Garrett, National Casualty; R. V. Goodwin, Fireman's Fund Indemnity; T. L. Haff, European General; J. E. Lewis, Aetna Life group; J. J. Magrath, Chubb & Son; H. A. McKay, Travelers; W. E. McKell, New York Casualty; E. L. Mulvehill, American Reserve; Arthur Snyder, A. M. Best Co.; O. C. Torrey, Marine Office of America; A. A. Quaranta, Marsh & McLennan, and Mr. Michelsen.

Portland, Ore., Loss Record

PORTLAND, ORE.—Portland had its greatest single fire loss and the largest total fire damage in its entire history in 1944. The Iron Fireman Manufacturing Company plant which manufactured engines for Liberty freighters and burned in February, had estimated loss of \$1,222,700. The cumulative total for Portland to Dec. 15 is \$2,423,607. The frame Creston school estimated at \$100,000 building and contents was a total loss Dec. 11. An interesting angle is that loss of personal effects of students may be covered by extension of coverage under household goods policies carried by their parents and covering at their homes. Under the revised form recently announced, under which probably all outstanding policies will be adjusted by the companies whether endorsed on the policy or not, 10% of the policy amount may apply away from premises. A number of small claims already have been presented.

Fire Marshal Fred W. Roberts of Portland is planning to retire soon after 47 years' service in the fire department.

Crosby to Baltimore Agency

W. Kempton Crosby, former special agent in Maryland and District of Columbia for Fireman's Fund, has joined the Baltimore agency of J. Ramsay Barry & Co. as vice-president.

"American College" in Wis.

MILWAUKEE—The American College of Life & Casualty Insurance Underwriters, Inc., of Milwaukee has filed articles of incorporation with the secretary of state at Madison. The purposes are stated as organizing, establishing, maintaining and conducting a general insurance agency. Incorporators are Burton L. Ambrose, L. W. Steckbar and J. F. Risher. According to Mr. Ambrose, who is a school teacher, the new corporation plans to conduct an educational course for persons desiring to become underwriters.

Dallas Hobson, formerly with the general agency of Poor, Bowen, Bartlett & Kennedy in Baltimore, has gone with the W. M. Gordy, Jr., agency, Salisbury, Md.

The stag Christmas party of the Twin City Accident & Health Club was held in Minneapolis Dec. 18.

FDR Signature of SS Freeze Surprise; Aids Adjournment

WASHINGTON—President Roosevelt surprised members of Congress and helped toward early adjournment of that body by "reluctantly" signing the social security tax freeze bill Saturday.

In accepting the freeze legislation the President pointed out that both political parties are on record for more comprehensive coverage and stated that he would submit to Congress at an early date plans for broadening and improving the social security system.

When that time comes, he hoped that "a clear understanding of the government's financial responsibilities for social security will emerge and that a long-term plan for allocating the costs of social security will be developed."

Meanwhile, Rep. Dingell, Michigan, announced he will seek hearings early in the new year on the Wagner-Murray-Dingell bill, to be reintroduced, perhaps in modified form. Their bill in this Congress provides for hospitalization and health insurance or medical care, in addition to expanding OASI coverage, increasing benefits, and making special provision for veterans. Federalization of the unemployment compensation feature of social security has also been proposed by administration leaders.

The President stated that the scheduled rate increase, which has been repeatedly postponed by Congress, should be permitted to go into effect. The long-run financial requirements of the social security system justified adherence to the scheduled increase, and the increase was consistent with wartime fiscal requirements.

"I feel sure that the Congress does not intend to jeopardize in any way the benefit rights which have already been built up in the past and which will continue to grow in the future. However, I am less disturbed, in view of the expressed commitments of both major political parties for comprehensive coverage under old-age and survivors insurance, by the present situation."

"Two matters should be clearly understood. The Congress should realize that this bill deferring a statutory increase in contributions toward existing social security merely defers until next year the necessary fiscal receipts to pay the benefits. Also, it does not seem to me wholly sound to enact a tax law and then defer the taxes year after year."

"The public will understand that as a nation we are committed to social security and will undoubtedly increase and not decrease its benefits. Already some other nations have a larger degree of social security than we. This bill in no way modifies the benefits provided by the present law. But it will be incumbent upon the next Congress thoroughly to review the methods of financing them."

"At an early date I plan to submit to the Congress a comprehensive plan for broadening and improving the social security system. At that time, I hope that a clear understanding of the government's financial responsibilities for social security will emerge and that a long-term plan for allocating the costs of social security will be developed. The executive branch of the government will always stand ready then to assist the Congress in working out a satisfactory solution."

Home Manager in Northwest

Albert U. Hoelting, state agent of Home and Franklin Fire in Washington and northern Idaho, has been made manager in that territory. He has been with the group 20 years, starting as special agent in eastern Washington and northern Idaho.

E. B. Crane has been elected vice-president of the Walter A. Schaefer agency in Newark, with which he has been connected for the last year.

Appeal Action Against B.A.R.E. to U. S. Supreme Court

WASHINGTON—Appealing on constitutional grounds, Circuit Judge Miner of Chicago and Paul Willer Petersen, Chicago life insurance man, have petitioned the U. S. Supreme Court to review the decision of the Illinois supreme court in their case against Benefit Association of Railway Employees and individuals named.

B.A.R.E. brought mandamus proceedings in the Illinois supreme court to compel dismissal without prejudice of the suit; also for expunging of Judge Miner's orders requiring filing of certain documents, records, etc., relating to B.A.R.E.

Mr. Petersen had filed action on behalf of himself and other policyholders seeking removal of association officers and directors; also to declare their offices vacant, require a new election and make the present officers ineligible; also calling for accounting by the officers, and repayment of funds allegedly wrongfully disposed of.

The controversy is based on an alleged agreement of 1927 with Arthur J. Lindsley, making him exclusive agent, to be paid 20% of premiums for 10 years. Mr. Lindsley was the alleged nominee of a co-partnership consisting of himself and certain named respondents, and the arrangement was for their benefit, according to the petition.

Petitioners say the company never paid dividends; directors made rebates of premiums in the guise of gifts to clubs and lodges; that unlicensed business was done; that commissions paid the agency or members were illegal. It is charged the association wrongfully paid to individuals a total of \$5,451,000 during the period 1934-41.

Petitioners claim they suffer deprivation of property without due process under the Illinois supreme court ruling that a derivative action for the benefit of an insurance corporation against its officers and directors for the misappropriation of corporate funds constitutes an interference with the company's "prosecution of business," which would bar action under state law.

The question is raised whether such prohibition of action in behalf of the company for accounting of officers and directors deprives the company and members of property in violation of the constitution.

Petition says the practice of respondents complained of is followed by "many" mutual companies to enable them to withdraw profits; that this method deprives members of benefit of lower premium rates without there being corresponding benefit to the company and its members for large sums withdrawn as "overriding commissions" or for "supervision of agents."

N. Y. Adjusters Group Hosts to Notables at Xmas Party

NEW YORK—The Adjusters Round Table of New York held its annual Christmas luncheon party with about 50 present. George Vail, Jr., assistant secretary Corroon & Reynolds, was toastmaster. Guests and members who made brief talks included A. Bruce Bielaski, assistant general manager, and J. Raymond Berry, general counsel, of the National Board; George Lilly, general manager Fire Companies' Adjustment Bureau; E. C. Niver, executive vice-president New York Board; F. Elmer Sammons, vice-president of Hanover, P. M. Winchester, eastern manager F. C. A. B., and Frederick Pitcher, insurance attorney.

Harry Murtha, assistant general adjuster of Home, was chairman of the arrangements committee, other members being W. E. Hill, secretary F. C. A. B., and R. C. Williams, assistant general adjuster of North British.

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2,660 square feet desirable space fronting center elevators on eighth floor of Insurance Exchange Bldg. Address Preferred Accident Insurance Co., Midwestern department, 2280 Board of Trade Bldg., Chicago, or telephone Harrison 8734.



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VALUABLE AIDS available to our agents for solicitation of PERSONAL PROPERTY FLOATER insurance include a simplified proposal form and pocket rule book with rates.

You will be interested in our "NO ENDORSEMENT" policy which has many exclusive features.

New York Underwriters Insurance Company
Ninety John Street New York

Unpaid, Uncancelled Policy Held Valid

Failure to cancel a fire policy after it had been issued was held by the U. S. circuit court of appeals, 9th circuit, to create pro rata liability with other fire insurance on the risk, although the assured had not paid the premium and apparently had not intended to renew the insurance through the broker who ordered it.

Charles Bittel and Florence Bittel Rene, the assured, lived in California and owned property in Beloit, Wis. They authorized B. E. Thomas, Beloit broker, to place fire insurance for them, paying the premium on Thomas's bill. Insurance was written in Milwaukee Mechanics. When the coverage expired in May, 1942, Thomas ordered it renewed, sent the policy and his bill to the assured in California and paid the premium himself. He had previously extended credit to the assured.

Other Broker Places Cover

Prior to this, the assured had authorized Kile, a Beloit broker and real estate agent, to place insurance, but had not told Thomas to drop the coverage. Kile placed insurance in Pennsylvania Fire and deducted the premium from rents he had collected for the assured. Mrs. Kile had attempted to notify Thomas not to renew the insurance, but could not reach him, and Kile's statement to the assured did not indicate the company in which insurance was placed, so the court concluded the assured had no way of knowing that the policy received from Thomas was not placed by Kile. Later, Thomas was informed of the assured's wishes and asked Mrs. Kile to ask the assured either to return the Milwaukee Mechanics policy or to pay the premium. The assured did neither and a fire occurred.

In holding both companies liable for the loss, Judge Denman held that, in the absence of cancellation or return of the Milwaukee Mechanics policy, it was in force and that whatever claim Thomas might have against the assured for the premium was not an issue.

South Bend—Mishawaka Election

The South Bend-Mishawaka Association of Insurance Agents elected Regis M. Richard of Mishawaka as president succeeding G. E. Keller, South Bend. Other officers elected are: vice-president, Mohler S. Witwer, South Bend; secretary-treasurer, Mrs. Genevieve Kiemnee, Mishawaka; trustees for two years, A. P.

Perley and S. P. Berner, South Bend; holdover trustees, W. H. Burner and Walter Stoner, both at South Bend.

Phila. Turns Down Liberty Bell Vault Offer

The city of Philadelphia has turned down the offer of North America to construct a fireproof vault for protection of the Liberty Bell. A committee named by Mayor Samuel to study the proposal, has reported that "need for bomb protection has now passed and that what might be required for adequate protection in any future war, in view of the actual experience and results from bombing in this war, to date, undoubtedly would be quite different from what might be considered adequate today."

"Of course," said John A. Diemand, president of North America, "if that's the way the city feels about it, there is nothing we can do but go along with the committee's findings. Our purpose in offering to build the vault was not so much to protect the bell from bombs, as it was to save it from possible harm due to fire, explosion, windstorm, etc., or any other hazard that might threaten it. If the city authorities choose to ignore these ever-present dangers, the responsibility rests on their shoulders for any damage that might harm this most priceless of all American relics."

The offer to build the vault was made originally Dec. 10, 1942, the 150th anniversary of North America's founding in Independence Hall.

Women Offer Chicago Prize

At the December meeting of the Insurance Distaff Executives Association of Chicago, it was voted to offer a \$25 war bond to the student having the highest grades for the year's work in the insurance classes of the Chicago branch of the Insurance Institute of America.

The members filled 200 Christmas stockings and sent them to the Fort Sheridan hospital. At the close of the business meeting the traditional Christmas party was held.

Beeson with Great American

Walter Beeson of the W. T. Shackelford agency, Baltimore, has been appointed special agent of Great American, working out of the Roanoke, Va., office.

The W. A. Schickedanz Agency of Belleville, Ill., has paid its customary year-end bonus to employees.



MUSICAL INSTRUMENTS, Personal and Orchestral—All Risks

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ONE OF THE TRAVELERS COMPANIES

Berry Sees Federal Rule in 10 Years

J. Raymond Berry, general counsel of the National Board, was quoted this week as stating that there will be federal rate regulation of insurance in the next 10 years. Congress, he believes, will not pass any insurance legislation unless it has the support of the entire industry, and even if it passes the present compromise bill, the department of justice will continue in its efforts to get federal regulation.

Federal controls would, he thinks, leave the states the regulation of small mutuals and intrastate stock companies, plus taxing powers.

When the S. E. U. A. suit was filed, he said, the association had to admit the charges against it in order to plead that insurance was not interstate commerce. The association is not afraid of having the case tried on the charges brought, he indicated.

Suggests Surplus Planes Be Used in Safety Studies

NEW YORK — Aero Insurance Underwriters, in its current engineering news letter, suggests that several thousand surplus airplanes could well be used in a research program to uncover design and operational data which would settle controversial safety questions and provide for greater safety for passengers and crews in flight or following a crash.

The suggestion is understood to have been favorably received by the Civil Aeronautics Board, though this is not mentioned in the news letter.

"Information far more valuable than the cost of the aircraft could be obtained if airplanes were deliberately crashed under controlled conditions to determine the exact nature of the fire hazard following crash, including sources of ignition, paths which fires take inside the airplane, methods for preventing fires or blocking explosions," the letter says. "Some say it is safer to make emergency landings with the gear down, others say it should be up. It probably varies with different types of design—let's find out once and for all. Some aircraft don't float very long after ditching—let's determine why, to establish criteria for the future. How good are emergency exits? What are the most efficient procedures for rescue operations? . . . These and hundreds of other questions could be answered by controlled destruction of surplus airplanes."

Webber Is Honored on 44 Years with North British

John H. Webber, special agent in eastern Pennsylvania for the North British group, was guest of honor at a

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luncheon at the Downtown Club, Philadelphia, upon completing 44 years' service with the organization. R. T. Stewart, secretary middle department, was toastmaster and on behalf of the officers, middle department field force, and members of the Philadelphia office staff, presented Mr. Webber a gift.

Accompanying Mr. Stewart from New York were E. A. Merkl, general agent middle department, and W. J. Traynor, publicity director. Other speakers at the luncheon were Secretary S. R. Howard and Assistant Secretary H. A. Carl of the Philadelphia office.

After his appointment in 1900, Mr. Webber was employed at the Philadelphia office until 1917, when he was transferred to the New York office as examiner. In 1921, he returned to the Philadelphia office where he remained until 1924, when he was made special agent for eastern Pennsylvania. For more than 20 years he has continued to travel and supervise that field.

Petefish to Home Office; Schmidt Omaha Manager

Russell Petefish, manager of North America's Omaha office, is being transferred to the home office, and he is

succeeded by Joseph S. Schmidt, who has been special agent in Wisconsin. Taking the latter's place in Wisconsin is E. G. Evenden, who has been special agent at Cleveland.

Canadian Tariff Body Winner in Agency Issue

TORONTO — The Ontario court of appeal has held that agents writing tariff and non-tariff business must either give the percentage of business to tariff companies that is stipulated in the 1942 arrangement or be prepared to surrender all Canadian Underwriters Association materials and aids, rate schedules, maps and plans of municipalities.

Underwriters' Survey Bureau and Canadian Underwriters Association, the plaintiffs, had allowed Haig, McDougall & Bateman, local agents of Belleville, to have possession and use of their documents for some years.

The latter refused to enter into the 1942 arrangement and the survey bureau and C.U.A. sought to recover the plan and other documents. In the York county court, judgment was given for the underwriters association.

On appeal, the original decision was

upheld on the ground that title of the association to the documents was not an issue, there having been no agreement which would divest the association of its title and accordingly the owners are entitled to possession, and that the alleged illegal purpose of the association did not enter into the situation.

A third justice dissented on the ground that the point raised by the agency that the underwriters' plan aimed at bringing pressure on agents, had far-reaching importance, involving the whole question of public policy that the courts should not assist the plaintiffs in carrying out an illegal purpose.

Indemnity Changes on Coast

Robert W. Byrne has been named assistant manager at Los Angeles for Indemnity of North America and W. L. Mitchum has been assigned to the Pacific northwest as agency superintendent with offices at Seattle and Portland.

Two Large Ohio Fires

The historic Masonic Temple at Lancaster, O., burned with a loss of \$80,000. There was \$55,000 insurance. The A. & P. supermarket at Zanesville, O., burned with a loss estimated at \$75,000.



Yes—the agent is a good man to know!

The reason the insurance agent is a good man to know is because his daily job is making people safer and happier. Yet lots of people don't know that this is true because they don't know all the things the agent and his protection can do for

them. That's why programs of public education, whether promoted by agency or company organizations, should have our fullest support. When we tell people what insurance can do for them, then they will know why the agent is a good man to know!



Inspections save war supplies. Research promotes safety. Agents sell security. That's how insurance works!

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THE INSURANCE AGENT IS A GOOD MAN TO KNOW

EDITORIAL COMMENT

Diagnosis Is Challenged

Those who are crusading for a very great enlargement of the public health services, particularly for a federalized system, put heavy emphasis in their arguments as to the necessity for such a program on the high rejection rates of the armed services. They contend that this is evidence that the physical condition of this country's youth is appalling and that a federal tonic is urgently needed.

In the "Statistical Bulletin" of Metropolitan Life for November there is an article that tends to remove much of the potency of this evidence.

"The alarm which has been voiced by some over the high rejection rates in our army," it states, "quite overlooks the fact that standards of rejection are to some extent arbitrary and subject to adjustment according to conditions and the judgment of those directing the formation of the armed forces. What is more important, standards far above those required for the ordinary pursuits of life must be maintained. It is hardly too much to say that every prospective soldier in the front line must be something

of a potential athlete to be able to cope with the excessively heavy duties, wholly outside the scope of ordinary civilian activities.

"Thus there is every indication that the seemingly high rejection rates are in no sense due to a relatively low level of physique among our young people but that any seemingly adverse comparison between the situation at the first world war and in the present conflict is due mainly to a difference in standards."

To cry up the rejection rate of the army as a revelation of a grave national health fault is to say there is a crisis and that heroic measures must be taken. The implication is that we have been given a diagnosis of a hitherto unsuspected malady of menacing proportions and that we should submit to drastic treatment without questioning. Constant improvement in the public health services is one of the great social aims, but it is well to utter a word of caution if there is a possibility that we are being stampeded into embarking on some vast new scheme of shadowy outline on the basis of an unwarrantedly panicky diagnosis.

Insuring for a Loss

Almost every agent is confronted with the argument by some assured or prospect that he has not had a loss for a long time and hence he is entitled to some sort of a refund. Instead of regarding that record as one that is highly desirable the assured is looking for a rebate or refund on his premium. As a matter of fact, he has bought his insurance for a loss, so to speak. He expects to be reimbursed if he does not have a loss.

Instead of regarding this record as highly desirable and one that he should hope to continue right along he is hunt-

ing for a few dollars return. People who buy insurance should be very glad to pay the premium if they could be guaranteed that they would have no loss. The usual insurance premium does not pay the cost of a loss, that is, the mental turbulence, anxiety, trouble, etc. A person who is immune from loss can be congratulated. Insurance should never be bought with the thought that a loss is going to happen. If it does then the assured will be compensated. If he escapes he is to be felicitated because he has not been compelled to go through the trouble any loss entails.

Insurance—a "Homey" Business

George W. Carter, head of the Detroit Insurance Agency of Detroit, who is chairman of the central territorial group of the National Association of Insurance Agents, has made a remarkable record in that specialized work. He said at the annual meeting of this contingent in Milwaukee that insurance occupies a peculiar position in the economy and life of the people. He characterized it as a "grass roots and homey business."

He said that it was built very much around the home. A man establishes a residence, probably builds a home. His

mind is occupied with his family, business and other activities. He wants security above everything else. He desires this not only in his home life but in his business.

Therefore he seeks in insurance to find what protection he can buy that will form a cushion, so called, to stay the flow, if a loss occurs. Insurance offers him an opportunity to protect his personal life and therefore discharge his duty to his dependents. He may be confronted with liability of different kinds and he can purchase insurance that will be a protection in case of a

claim made against him. He can throw bulwarks around his property. Altogether, therefore, insurance becomes a fundamental function in his life. He is allied closely with it. He is proud that he can protect himself.

Hence Mr. Carter concluded that nothing should be done that will in any way impair the protection that insurance offers. Inasmuch as it is a "homey" business Mr. Carter at least

implied that the supervision of it should remain with the states, where people can go to their home state insurance department in case they desire to take up something regarding their insurance. The state departments have a local interest in the citizens of the state.

The homelike ramifications of insurance, Mr. Carter said, touch a man at his most tender points.

PERSONAL SIDE OF THE BUSINESS

Richard A. Kenzel, Milwaukee, state agent of Phoenix and grand wielder of the Blue Goose, is confined to his home with a dislocated hip, suffered when he was thrown off balance while removing some packages from his car. While not serious, the injury is painful and confining.

Harold H. Gamber, Ohio state agent of Pennsylvania Fire, and Miss Grayce E. Sandrook, librarian at the Ohio State Institution for the Blind, were married at Maysville, Ky. They are now at home in Columbus.

Associates and employees of the National Inspection Company honored J. G. Hubbell on his 35 years as manager of the company. He was presented a leather bound sheaf of congratulatory letters from employees and associates and a handsome cellarette.

V. L. Zimmerman of Elgin, Ill., state agent of Crum & Forster, has returned to Mercy Hospital in Chicago for a second eye operation. He had just returned home from a previous sojourn in the hospital during which he underwent an eye operation, when complications developed.

The engagement is announced of Miss Shirley Slade, daughter of Mr. and Mrs. John C. Slade of Chicago, and Maj. William R. Berkeley, whose father, E. B. Berkeley, is president of the Cleveland Insurance Agency and is a former president of the Ohio Association of Insurance Agents. The wedding will be held at the home of the bride's parents, Jan. 2.

Maj. Berkeley served in the China-India-Burma theater of war for 20 months and wears the distinguished flying cross and the air medal with oak leaf clusters. He is now flight commander of the army air base at Harlingen, Tex., where Miss Slade has been located for two years as a member of the WASPs.

DEATHS

John L. Robertson, 78, president of Lowell Mutual Fire, died suddenly. He had been with Lowell Mutual 13 years, having been elected a director in 1931 and president in 1938.

Cecil W. Spung, 55, Columbus, O., local agent, died there.

Mrs. Mary Moriarty, wife of Patrick J. Moriarty, retired Michigan manager of North British group, died at her home in Ann Arbor, Mich.

William R. Beck, 74, first vice-president of Druggist Mutual of Iowa, died from a heart attack at his home. He had

served as vice-president of the company since it was organized 32 years ago.

Romain Fahrback, 45, local agent at Menasha, Wis., and prominent in civic affairs, was found dead in his summer cottage at Lake Poygan with a bullet wound in his right temple. He had been in failing health.

David E. Floreen, 60, who for the past 20 years has been a broker in Chicago, placing business through Rollins, Burdick, Hunter Co. agency, died after an illness of about two years. A brother, W. J. Floreen, is vice-president of Rollins, Burdick, Hunter, and a son, David A. Floreen, is Detroit marine manager of Home. Mrs. Floreen intends to continue her husband's business. Funeral services were held at Mt. Olive cemetery, Chicago.

William C. Malloy, 66, for 25 years with the insurance department of the Petersburg Savings & American Trust Company, Petersburg, Va., died there.

Mrs. Charles A. Nottingham, wife of the deputy United States manager of Royal-Liverpool, died. Funeral services were held at Christ church, Bronxville.

Theodore Sage, 37, for 10 years an underwriter in the western marine department of Fireman's Fund, Chicago, died at his home in Downer's Grove, Ill., of pneumonia. Mr. Sage was with Johnson & Higgins in Chicago before going with Fireman's Fund. He served as yeoman of the Mariners, Chicago marine underwriters organization, for two terms.

Lt. Col. William G. Utterback, who had for many years conducted a substantial local agency at Nebraska City, Neb., was killed in a train-auto accident at Augusta, Ga., where he had been stationed.

W. D. Porter, 77, local agent in Hyattsville, Va., until ill health forced his retirement several years ago, died there.

George K. Clarke, 68, a banker and local agent at Manhattan, Mont., for many years, died from a heart ailment.

Aetna Fire Extra Pay

Aetna Fire will distribute "emergency allowances" of 10% to its employees, in the coming year, though not to exceed \$300 a year or \$25 monthly.

T. L. Smith, Jr., Asst. Manager

Thomas L. Smith, Jr., has been appointed assistant manager of Indemnity of North America at Cleveland under Manager Nolan S. Pierce and was not appointed manager as stated in last week's issue.

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Answers May Come in Okla. Case

(CONTINUED FROM PAGE 5)

commissioner collected the 4% tax for the entire year 1941.

In its recent decision in the Lincoln National case, the Oklahoma supreme court upheld the constitutionality of the 4% tax but also held that Commissioner Read had no right to collect the tax on premiums paid prior to April 25 of that year. In that respect Lincoln National won a partial victory in the state supreme court but it appears that none of the other companies have grounds for demanding a refund of taxes that they paid on account of premiums collected from Jan. 1 to April 25 of that year.

Lincoln National started its action in the state court against the insurance commissioner and state treasurer after having paid the tax under protest.

Great Northern Life pursued a somewhat different legal theory in its action and it lost out in one of its suits in a United Supreme Court decision that was given several months ago. Great Northern brought its case in the federal court.

At the same time that the Oklahoma premium tax was increased to 4% other changes were made in the tax law and a law was repealed providing that if a taxpayer pays taxes under protest he must file suit within 30 days. A law of identical language, at the same time, was enacted as part of the ad valorem tax code.

One of the important questions was whether the old law applied to a tax that is wholly void or whether it merely applied to cases of over assessment.

Should Have Been in State Court

This first action of Great Northern Life was brought against the state of Oklahoma. The U. S. Supreme Court held that if Great Northern were bringing its suit under the provisions of the

statute requiring suit to be brought within 30 days then it should have brought the suit in state court.

Great Northern subsequently brought other action, abandoning reliance upon the law providing that suit must be filed within 30 days and also refraining from naming the state of Oklahoma as a defendant because if it is impossible to sue the state under the 30-day statute it is impossible to sue the state at all without its permission.

Great Northern concluded that its only remedy then was to sue Commissioner Read as an individual and it has done that in respect of the 1943 taxes in the state court and in respect of the 1942 taxes in federal court, the theory being that if Mr. Read has collected under duress an illegal tax he is personally responsible for it. The Great Northern suit disclaims that Mr. Read as insurance commissioner has any responsibility in the matter but contends that as an individual he is liable.

So far as other companies are concerned, if Lincoln National should win a Supreme Court decision the question of getting a refund, if any, may be governed either by the statute of limitations or by whether the law requiring action to be brought within 30 days after paying a tax under protest is applicable to the type of tax under consideration. The chance seems slim that the companies can recover for taxes that have been paid in Oklahoma without protest.

Although the Lincoln National Oklahoma case is likely to be the first one to reach the Supreme Court it is very unlikely that the court will hand down an opinion in time to give insurance company taxpayers and the taxing authorities definite answers to guide them in the payment and collection of taxes on 1944 operations since most of these



"Well, dear—we've just found out that an ounce of accident and hospitalization insurance is worth several pounds of borrowed money."

taxes are payable early in the year. Nor is it likely that the decision will come down in time to help the legislatures decide whether it is necessary to amend the tax laws in those states that impose a higher tax upon foreign insurers than upon domestic.

A number of companies apparently intend to pay taxes upon 1944 premiums under protest in certain states but in some of those states there are provisions in the laws requiring actions to be commenced within a certain period to give the protests any force.

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Find Big Cache; Fidelity Insurer May Recoup

Department Store Defaulter Pleads Guilty— Reveals Buried Money

NEW YORK—It is likely Travelers Indemnity will recover a substantial portion of the \$300,000 limit loss it paid recently to the William T. Knott Co. department store firm, New York, on bonds covering Ralph M. Wilby, formerly an assistant treasurer of the firm. Wilby, employed under the name Alexander W. Hume, pleaded guilty to one count in a 17 count indictment accusing him of the theft of \$275,984 Oct. 5. Subsequent investigation showed a revised total loss of \$386,920.

Guided by directions from Wilby, now in Tombs prison, a \$235,000 cache, including \$95,000 cash stuffed in one tin can and \$129,000 in Canadian government and \$11,000 in U. S. government bonds stuffed in another, was dug up in the back yard of a home he had purchased in a suburb of Vancouver, B. C. An additional \$68,000 was recovered from third parties in that city, making the total recovery \$303,000.

Discovery of Hiding Place

The Knott firm has a suit pending against National City Bank of New York, the drawee bank, for honoring alleged forged endorsements on checks cashed by Wilby through accounts opened in various banks scattered over the country under assumed names. A number of bonding companies including American Surety, Indemnity of North America, Maryland Casualty, and Lloyds, are involved on the bank bonds, American Surety having the largest interest. Through the Konheim, Halpern & Wolf law firm retained by American Surety, an investigation has been going on for some time, with the resulting recovery.

With the assistance of a diagram prepared with the help of Wilby, Samuel Halpern of the law firm has been in Vancouver digging for the two extra large size paint cans in which the cash and bonds were buried. After following instructions and digging fruitlessly for two days, Mr. Halpern called his partner, David Konheim, to get more accurate information. Wilby reported the digging was about 15 feet off and that with the new information, the cans were found.

One of the largest dishonesty-forgery losses in the history of fidelity insurance, the coverage included \$150,000 primary commercial blanket bond and \$150,000 depositors forgery bond.

Went on Skiing Trip

Wilby, then known as Hume, obtained a three day leave from his former employer to go on a skiing trip early this year. His wife wired at the end of the period that he had broken his leg and would be away for a more extended time. The employer wrote its Canadian store officials to give every assistance to Wilby, but became suspicious when an official wrote back to say he had put Wilby on a train and he did not have a broken leg. Wilby had done his work well and if it were not for that slip, the loss might have been undiscovered.

Wilby worked four years under the

Litigation Forces Postponement of Tex. "Comp" Order

Effective date for the program of close supervision over participating plans for writing workmen's compensation in Texas has been postponed from Jan. 1 to Feb. 1, by the Texas board of insurance commissioners. This was done by special order entered Dec. 18 as a result of two petitions for injunction against the plan that had been filed recently in the judicial district court in Austin by Texas Indemnity of Galveston and Texas Employers of Dallas.

The injunction proceedings were first set for hearing Dec. 18, but when the insurance department asked for time, it agreed to postpone the effective date of the order and the two petitions will come up for hearing Jan. 4.

The actions are similar in form and intent. They are leveled at the order of the board of Oct. 18, which order was reaffirmed without change Nov. 30 after a hearing on Nov. 14. Both seek temporary injunctions to restrain the effectiveness of the order while the case is being tried on its merits; both ask for permission to continue their participating plans and dividend paying procedure during the hearing, and for permanent injunctions to restrain the board from applying the order.

The order of Oct. 18 was issued by the board to prevent unfair discrimination and to give the board control of compensation rates as is "specifically required of it by law."

Texas Employers Contention

Texas Employers attacks the entire order with the exception of the prohibition against waiving any portion of the surcharge premium under retrospective plans B or C. It argues that the board has assumed excessive authority and that the legislature, in 1923, relieved it of the necessity to give information as to groups that would receive dividends and that since that time it has asked for and received approval of dividends on a lump sum basis. It argues that its authority to function as an insurance company was specified by the legislature and that only the legislature can change that authority and that the legislature left with the association's directors the authority to fix the amount of dividends.

It further argues that the legislature authorized its directors to distribute its subscribers into groups for purpose of segregating the expense, experience, and determination of dividends and assessments. It contends that it has right to rearrange the groups.

"The true nature of the challenged order is exposed by the requirement that no carrier shall solicit any insurance or write any insurance on or after Jan. 1, 1945, unless prior to that time it has submitted to the board its plan for the grouping of subscribers and for the payment of dividends to subscribers," the petition asserts. "This provision discloses the fact that the board is attempting, not to regulate rates or discrimination in rates, but to regulate competition as between insurance carriers in their efforts to secure business."

Texas Indemnity recites that its plan of operation had been approved by the

name of Hume and was highly regarded. He was convicted for larceny and a forgery for which he had served a year in the Ontario Reformatory at Toronto in 1930. Thirty-nine years old, he was arrested in Canada March 14 and was extradited to this country. In disclosing his hiding place, he urged attorneys to request clemency for him. He will be sentenced Jan. 3 and faces a 20 year term because of his previous police record.

Find State Health Cover Not Needed

Extent of Present Protection "Unbelievable," Massachusetts Probers Report

BOSTON—The state advisory council of the division of employment security, delegated last year by the Massachusetts legislature to make an investigation relative to payment of benefits under the employment security law to employees who are absent from work on account of sickness, reports that while there is a strong desire for extension of facilities to aid in meeting the costs of unusual or prolonged illness, it does not find any pressing need or urgency for governmental compulsion along that line.

The council, which has made an intensive study of the subject in the industrial centers of the state for a year, found 65.9% or nearly two-thirds of the working population covered under the unemployment compensation law now covered in their places of employment by some form of voluntary protection against loss of wages due to illness, and that the plans in existence cover this protection "to a previously unbelievable extent." It regards as "most remarkable," also, the extent to which the citizens have availed themselves of the opportunities afforded by the various individual and group plans.

Would Not Disturb Gains

The council questioned the advisability of disturbing or perhaps thwarting the gains thus made, "as the economic independence thus attained when the people meet these problems themselves is democracy in action. Permission of the continuance of this movement by private enterprise and encouragement of its expansion, by groups or individually to those not yet benefiting by such coverage, would seem to be a very definite need. In the preservation of our American way of life, it would seem essential to establish beyond a reasonable doubt that private enterprise could not meet the problem effectively before government compulsion could be justified."

Future Extension Indicated

While slightly more than one-third of those covered under the unemployment compensation law do not appear to have protection in their places of employment against wages lost due to illness, the report says the trend would indicate a likelihood of their future coverage under voluntary auspices. Most of these are in the smaller establishments. In addition to the regular groups of at least 25, it

(CONTINUED ON PAGE 26)

department when the company was organized in 1919 and each time its plan was amended, and that the insurance commissioners had rewritten the form of the endorsement it used in March, 1933. The petition recites that it submitted its endorsement at the hearing of Nov. 14, and that it was expressly denied Nov. 21. By this action the company would be forced out of business, should the board's order be allowed to stand, the petition asserts.

The company operates on a participating and assessment basis and at the time the endorsement was disapproved the insurance department took the position that a stock company cannot levy an assessment. The endorsement provides that the insured pay the manual premiums, and after proper reserves, and a predetermined percentage of the premium for management, the insured receives a refund in the event of a profit, or pays an assessment in the event of excessive losses.

Monopolistic State Funds Advocated by U. S. Conference

Labor Department Committee Makes Many Provocative Recommendations

WASHINGTON — Basic standards for workmen's compensation benefits, and administrative practices and procedures in the several states were recommended by the committee on workmen's compensation, safety and health, of the Department of Labor's conference of state labor officials and others. The most provocative recommendation is for monopolistic state funds.

The committee also made recommendations to the states with respect to their laws dealing with accidents, industrial health, safety, and related subjects, and acted on several bills in Congress. John W. Gibson, Michigan, was chairman of the committee.

To assure prompt and full payment of workmen's compensation benefits the committee said all laws on the subject should include these "fundamental and basic requirements:"

1. A statutory provision requiring insurance carriers, state funds or self-insurers to start compensation payments within a specified period under penalty of substantial additional payments to claimants.

Opinion on Medical Questions

2. The strengthening of workmen's compensation administrative agencies with full-time medical personnel to supply administrators with impartial and unbiased opinion on medical questions which now constitute at least 90% of all disputed issues in compensation claim adjudication.

The committee found inadequate and incomplete workmen's compensation protection in the light of present day needs and recommended re-examination of substantive benefit schedules, administrative practices and procedures in the states, urging as a minimum objective the following basic standards:

1. Inclusion under the protection of compulsory workmen's compensation statutes all wage earners in all industries and employments, public and private, with no exceptions or exemptions.

2. Adoption of substantive benefit schedules to bring about

- (a) The complete removal or the raising of present maximum limits on weekly compensation payments in order to permit compensating awards equaling two-thirds of the regular wage income of the disabled worker.

- (b) The establishment of minimum weekly compensation rates which will meet at least adequate subsistence needs of the injured workers during disability periods.

- (c) The removal of fixed statutory limits on the amount of total payments to widows in death cases and to employees who have sustained permanent total disability through work injuries.

- (d) The removal of fixed statutory limitations on the amount of medical service supplied to injured employees.

- (e) Provision of compensation benefits covering all occupational disabilities.

- (f) Provision for second-injury funds, preferably financed by assessment in non-dependent death cases, to encourage

(CONTINUED ON PAGE 26)

Continental Cas. Has Full Air Cover

With Transportation
Is Now Equipped to Write
Hull and Liability

Continental Casualty and its affiliate, Transportation, have announced their entrance into aviation public liability and hull insurance through the establishment of two policies designed to furnish broad form public liability, property damage, and hull coverage on aircraft operating for private and industrial purposes in the United States, Canada, and up to 100 miles into Mexico.

The public liability policy is a simple, comprehensive contract which includes several innovations. This is the first such policy to feature both single and double limits of public liability and property damage protection as well as medical payments coverage.

Aggregate Limit per Accident

The policy provides coverage for public liability, passenger liability and property damage, or a combination of all three. If only one coverage is purchased, the limit per accident applies to all loss arising out of that coverage. If two or more coverages are purchased, then the limit per accident is the aggregate limit for all loss arising out of one accident, whether such loss involves one or more than one of the coverages. Thus assured is not forced to guess where his heaviest loss will fall.

Medical payments coverage enables the operator to protect his passengers and himself, regardless of the insured's negligence, for injuries arising out of the "use of the aircraft, while riding in or upon or entering the aircraft for the purpose of riding therein," or "while leaving the aircraft after the flight or attempted flight." This protection is common in automobile insurance but has not been written into aircraft insurance before.

The hull policy, written by Transportation, affords protection against fire, explosion, lightning, transportation, tornado, cyclone, windstorm, hail, sleet, snow, earthquake, flood, collapse of hangar or shop, striking or being struck by any object while not in flight, breaking, denting, and marring, theft, pilferage or robbery, and crash or collision. Icing is also included as a named hazard.

Policy Simple and Concise

The policy is simple and concise. It offers a wide variety of coverages on either a deductible or participating basis. Coverage may be complete and comprehensive or on a named peril basis. The crash or collision clause includes "collision during flight from any cause whatsoever and the resultant fire or explosion."

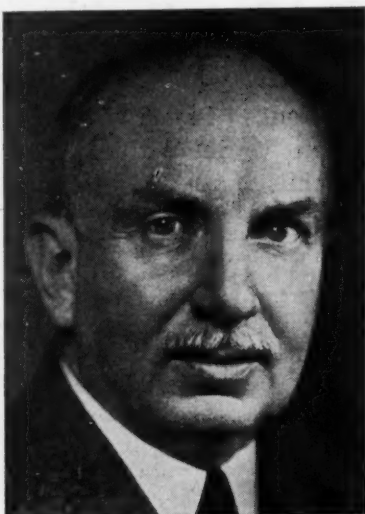
The contract is in many respects analogous to automobile collision. Premiums for the policy are rated on three general types of aviation usage: Private business and pleasure, commercial excluding instruction, and commercial including instruction. These policies will be written only in states where Transportation is entered.

Continental Casualty and Transportation now have a well rounded program of aviation insurance to offer the flying public. In addition to the newly announced public liability policy, Continental Casualty writes personal accident coverage for commercial travelers on a world wide basis and for both non-commercial and commercial travelers on a domestic basis.

Propose "Comp" Appeals Court

ST. PAUL—The report which an interim legislative committee will make at the coming session of the legislature calls for the establishment of an administrative court or board to handle appeals in workmen's compensation cases.

F. S. Garrison 50-Year Insurance Veteran



F. S. GARRISON

Fred S. Garrison, secretary of Travelers Indemnity, has completed 50 years in the insurance business. To avoid getting the impression that this may classify him in the same group as Methuselah, Mr. Garrison calls attention to the fact that he entered the insurance business at the age of 15. On January 1, 1945, Mr. Garrison will observe another anniversary, 30 years with Travelers Indemnity.

In 1894, Mr. Garrison started as a filing clerk in the offices of U. S. Mutual Accident, New York. Less than six months later this concern failed, so in 1895 he entered the employ of U. S. Casualty. In 1901, he switched to New Amsterdam Casualty.

He started there as an assistant in the accounting department. Fourteen years later he was offered the opportunity to start a burglary and plate glass department in Travelers Indemnity Company. He was then assistant secretary, assistant treasurer and resident vice-president of New Amsterdam.

Mr. Garrison recalls that the first assistant that he picked was John F. O'Loughlin, who today is president of Royal Indemnity. Another assistant that he picked was Charles H. Pritchard, who is now vice-president of General Reinsurance.

Within a few years after Mr. Garrison had organized the burglary and glass departments of Travelers Indemnity, this company became the leader in both burglary and glass fields, the position which it still holds.

Mr. Garrison is the only U. S. member of the executive council of the Canadian Underwriters Association, which has jurisdiction over the fire, casualty and automobile business in Canada. He was formerly president of the water board of Hartford and later chairman of the water bureau of the Hartford metropolitan district. He is now a member of the board of finance of West Hartford.

Nelson Is Massachusetts Bonding A. & H. Claim Head

Phillip F. Nelson has been appointed superintendent of the accident and health claim department at the head office of Massachusetts Bonding, and Victor A. Wilson becomes assistant superintendent.

Mr. Nelson is a graduate of Boston University law school and has had wide experience in accident and health claim and agency work. He succeeds E. M. Sheehy, who resigned due to ill health. Mr. Weston has served with the claim departments of several companies.

Farm Bureau Mutual Automobile of Ohio purchased \$900,000 in the sixth war loan drive.

Hobbs, Undaunted, to Push Mail Bar Bill Again

WASHINGTON—With the Weiss House postoffice committee having turned thumbs down on his bill to deny use of the mails to insurance companies not qualified under state license, Rep. Hobbs, Alabama, is determined to keep trying to attain his objective in a re-drafted bill, which he plans to introduce next Congress. He says he and members of the subcommittee have been cooperating, including Rep. Miller, a Hartford, Conn., insurance man, and Rep. Murray, Tennessee, formerly with the postoffice department.

"What I would like," Hobbs tells THE NATIONAL UNDERWRITER, "would be to deny use of the mails to 'fly by night' insurance companies, without touching the legitimate companies. But that language could not be enforced. I have been trying since 1935 to get a formula that would please interested parties. They are all for the idea, 'but please leave them out.'"

"If we could get the support of legitimate insurance interests for legislation it would help mightily and would tend to relieve them from unfair competition. However, they are not interested because they believe that because they are honest and pay claims against them, others are also honest and there is no need for legislation. Representatives of legitimate companies who have attended our hearings, however, have been amazed at the amount of bootleg insurance written."

"I think it equals about one-third of the total volume of insurance written,"

(CONTINUED ON PAGE 27)

Poetic Greetings Give Picture of Biddle Role

Henry S. Moser, member of the firm of Sonnenschein, Berkson, Lautmann, Levinson & Morse, Chicago, and chairman of the insurance section of the American Bar Association, turns to poetry to express Christmas greetings, as he did last year. Following is the poem:

Little Francis Biddle's come to our yard
To play,
To break up combinations an' brush
states' rights away,
An' shoo the bureaus off their perch, re-
duce our rates and sweep,
An' build a fire, for commiss'ners, an'
burn them in a heap;
An' all us 'surance 'ficals, when each
day's work is done,
We set around home offices, an' has the
leastest fun
A'list'nin to the witch-tales 'at Biddle
tells about,
"That the Govern'ment 'll git you
Ef you don't watch out!"
An' Biddle found some comp'nies as
wouldn't cut their rates,
On some 'sured's policies, 'cause forbid-
den by the states.
They soon heard Biddle holler—"Anti
Trust" they heerd him bawl,
'Ats "Restraint of Trade and Commerce
—you can't do that at all!"
He sued them in the District Court, in
Atlanta, an' the press,
An' he sued them in the Supreme Court,
an' ever'where, I guess,
Until four judges said—"tis no fairy tale,
'at Biddle tells about,
Yes, the Govern'ment git you
Ef you don't watch out!"
So now you runs to Congress, praying,
as you hope,
That it perhaps will save you, with some
legislative dope.
And now it's Xmas Season, an' it's nearly
New Years, too,
I hope you all enjoys them, an' many
others, too.
That you'll be free forever, an' that Con-
gress sets things right,
May there be peace among you, no more
internal fight,
Or else, I fear, 'at there is very little
doubt,
That the Govern'ment 'll git us
So we best watch out!"

Elective Coverage Trend in A. & H.

Eliminates Forms, Gives
Insured Better Idea
of His Protection

NEW YORK—The elective personal accident and health policies which a number of companies have brought out in the past year or two are a departure from the customary "package" policy in this line and are an endeavor to give the prospect a tailor-made contract to fit his specific needs. Two schools of thought in underwriting are represented.

One group offers a schedule policy with various options listed, enabling the prospect to select the combination he wishes. This group is represented by American Casualty, Home Indemnity, Hartford Accident, Maryland Casualty and, most recently, General Accident. Travelers uses this form for a hospitalization policy which offers many different combinations.

The other group uses a basic or strip policy, such as weekly indemnity, and the other coverages are added through endorsement. In this group are Royal-Eagle-Globe Indemnity, Great American Indemnity and Continental Casualty.

Multiplicity of Forms Eliminated

The schedule policy eliminates a multiplicity of forms. One policy form may do the work of seven. The elective benefits are described in the policy in the order in which they appear on its face and there is marked similarity in appearance to the comprehensive policies in other casualty lines.

One of the objections agents have received from insured who own accident and health policies is that they sustain losses which are not covered by their policies. The agent is blamed, perhaps, for not discussing the particular type of coverage lacking, even though he may have told the prospect about it at the time the policy was sold.

Advocates of both groups believe that their particular type of policy is a partial solution of this problem. The insured immediately takes out his policy when he meets with an injury. In the schedule policy, the various coverages are clearly shown and the missing protection plainly indicated. If the agent has explained the policy, the insured can offer no alibi, since he clearly did not want the coverage when he bought the policy. If the endorsement to the basic policy idea is used, the insured sees only the protection he has purchased. He does not get any ideas about the other coverages available because they aren't enumerated.

Fit Coverage to Prospect

One group believes that the presentation of all the available coverages tends to confuse the prospect. The agent may talk in technical trade terms and the prospect does not understand the type of protection he may elect. The other group believes good agents like to present their best wares right at the beginning of the sale. If the complete coverage is too comprehensive or costly for the prospect, the agent can do the best job possible by scaling the coverage down to fit.

Some agents and brokers do not look with favor on extensive endorsements, believing their use should be held to a minimum. The insured often does not know where the endorsement is, they say, and the additional endorsement also confuses him. The schedule type policy may not be written in Massachusetts.

Both groups, however, wish to provide the best possible coverage for the insured, fitting both his needs and pocketbook in the most scientific manner possible.

T. Morris Dunne, who has served for 12 years on the Oregon industrial accident commission, has been reappointed for a four-year term.

EMPLOYERS REINSURANCE CORPORATION

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ACCIDENT AND HEALTH

Broad Extension of Cover for Service Men in U. S. Abrogates Air Exclusion

An endorsement to an accident and health policy which continues coverage for insured who enters military or naval service, so long as he remains within the continental limits of the United States and Canada and no actual warfare and fighting takes place within such limits, "regardless of those provisions which exempt from payment any claims arising where he had changed to a hazardous occupation or has entered the armed forces of the nation in time of war," abrogates the aviation exclusion as well as the military service exclusion in the policy. The New York supreme court, special term, so held in *Schifter vs. Commercial Travelers Mutual Accident*.

Trainees Not Free to Choose

Insured on entering service was assigned to the army air force and was killed in the crash of a plane in a training flight. The policy excluded all aviation mishaps except as a passenger in

a licensed commercial aircraft and the insurer contended that this clause relieved it of liability, but the court says that the insurer, in extending coverage to those entering service, "must be deemed to have known that those of its insured who entered the armed services would no longer be free to choose their occupations or to order their daily lives. From day to day not one of them could know but on tomorrow he would be ordered into an airplane for some purpose in connection with his military training. Surely those insured could not decline to obey the command of their officers on the ground that obedience to such commands might deprive such service men of their benefits under the policies issued by the defendant."

Rider Not Ambiguous

It declares that there is nothing ambiguous in the wording of the rider. "There was no obligation on the part of the defendant to issue the rider, but having done so in language of its own choosing, it cannot read into it something which is not there, and that is the exclusion from any branch of the armed services which involve air train-

ing. . . Not only aviators but sailors, infantrymen or any other members of the armed services who are injured or killed in an airplane accident while they are performing part of their military training are covered by the contract."

Women Present Program of Los Angeles Producers

LOS ANGELES—The program for the December meeting of the Accident & Health Producers Association of Southern California was in the hands of the women members, with Mrs. Ethel O. Shontz, manager of North American Accident, as chairman.

Miss Adelaide Stone, Fireman's Fund Indemnity, spoke briefly on the necessity of having the application filled out completely and every bit of information obtainable furnished, including medical history of the applicant. While the agent looks on the application as a necessary evil, yet it is the basis on which losses are paid. The home office underwriter gets the application as a cold proposition, and has no personal knowledge or information such as the agent gets. Not only does incomplete information on the application delay issuance of the policy, but it doubles the work of the agent and takes time which he could use in the sale of additional insurance.

Mrs. Sylvia Weiss said social security laws can not cover everything that may happen to the individual, but that accident and health insurance can give such coverage. She pointed out that the agent's renewals are just a sample of the security afforded by insurance.

Miss Nadine Filler said disaster always hits the weak spot in life and that accident and health insurance will cover up these weak spots. The claim check coming in monthly is just a messenger of the service that insurance gives. She said accident and health insurance affords the opportunity to be one's own boss and to become a center of influence in the community. She declared it is the responsibility of the accident and health producer to see that the client is given proper and complete coverage and adequate service.

Sick Benefits Included in Garment Union's Program

NEW YORK—Under the agreement with five women's clothing manufacturers groups made last March, the 3½% payroll contribution which they are making for the benefit of employees, members of an affiliate of the International Ladies Garment Workers Union, will go to provide comprehensive sick benefits and vacations with pay. The total contribution will approximate \$3,150,000 annually.

Annual physical examinations, one week's vacation, weekly sick benefits and eyeglasses for the 75,000 members of the New York Joint Dress Board will be included in the program. The benefits apply to union members whether employed or unemployed, since the garment industry has long slack periods because of its seasonal nature. The health center maintained by the union is being expanded to provide the additional services.

Special Eye Testing Unit

A special portable eye testing unit will be used to give each worker an eye examination at his plant. Treatment or glasses may be obtained free at the health center. Each is eligible for examination, treatment, diagnostic and specialist service to cost no more than \$15 in any one benefit year. Hospital benefits are paid at the rate of \$3 daily for 25 days, in addition to disability payments of \$12 weekly. Workers afflicted with any form of tuberculosis receive either a \$250 cash settlement or the usual hospital rate plus \$50.

Vacation pay, based on average salary, ranges from \$23 to \$38 weekly, the largest group, seamstresses, receiving \$30. Two-thirds of the money will be used to provide vacations and one-third for sick benefits and examinations. Va-

cations have been unusual in the dress industry, since most of the workers are employed on a piece work basis.

Globe Indemnity Brings Out Hospital Contract

Globe Indemnity has brought out a hospital expense contract that provides for adults insurance of \$5, \$6, \$7, \$8, \$9 or \$10 a day up to 70 days and that includes, with a 10-month waiting period, female diseases and childbirth in the amount of 10 times the daily indemnity. For juveniles ages 1-17, hospital coverage of \$5 a day is written.

For children there is a surgical schedule with a maximum of \$100 and for adults the surgical schedule varies with the amount of daily indemnity. The maximum is \$100 with \$5 daily indemnity whereas with \$10 daily the maximum is \$200. Miscellaneous coverage of five times the daily indemnity is provided.

The contract is incontestable after two years. It provides coverage in North America, Cuba, Hawaii, Europe and British Isles, and covers accidents on commercial airline planes.

The cost of the child's policy is \$13. For \$5 daily hospital, \$25 limit miscellaneous and \$100 maximum surgical the rate for males age 18-49 is \$17, 50 to 59 it is \$24; for females age 18 to 49 the rate is \$26 and females 50 to 59, \$35. With the surgical coverage excluded the corresponding rates are \$10, \$13, \$18, \$20 and \$27.

The rates increase with an increase in daily indemnity until for \$10 daily hospital the rates are double those for the \$5 coverage.

Some States Will Require A. & H. Experience by Lines

It is still uncertain as to how many of the states will require the further breakdown on accident and health experience which was provided for on an optional basis at the annual meeting of the National Association of Insurance Commissioners in New York, on recommendation of its accident and health committee.

Whether or not this additional information is to be required is wholly up to the individual commissioners. Some of them have stated definitely that they will require it and others have indicated that they probably will not. It will not be made a part of the regular annual statement but will be filed as a supplementary report, where required, showing the experience by classes of business, such as commercial, wholesale or franchise, monthly or weekly premium, hospitalization, automobile and other special accident or accident and health forms. Segregated figures on non-cancellable and group accident and health insurance are now required as a part of the annual statement.

The recommendation as finally adopted represented a compromise, as some of the commissioners wanted separate reports on every policy form written. It was pointed out by the company representatives that this would be a virtual impossibility under present conditions. As a matter of fact, some of the larger companies with Hollerith equipment, which had been tabulating such experience for their own use, have had to abandon it. However, Harold R. Gordon, managing director of the Health & Accident Underwriters Conference, told the committee he believed that it would be possible for the conference companies to report the experience by classes, the provision finally adopted.

The report is to cover a period of three years and may be filed in such form as may be most convenient for the company, provided the desired information is given.

Report on FSA Health Plan

ROANOKE, VA. — The Farmers Health Insurance Association, with membership limited to rural families borrowing from the Farm Security

Christmas 1944

Celebrate Christmas? Of course. Was not He whose birthday we honor the Prince of Peace? More than ever we need to contemplate the true spirit of the day.

With greater meaning and greater emphasis, we say to all . . .

"It's Christmas! May it give you warmth and strength and hope!"



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AMICO is the company you need to meet the challenge of today's needs and today's competition and to be ready for post-war selling . . .

American Motorists is a \$14,000,000 multiple-line participating stock company providing insurance protection under dividend-

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New York (17): 342 Madison Avenue

Boston (16): 260 Tremont Street
Atlanta (3): Kemper Insurance Bldg.

Philadelphia (7): 12 S. 12th Street
Los Angeles (5): Kemper Companies Bldg.

San Francisco (4): Russ Building
Syracuse (2): Syracuse-Kemper Ins. Bldg.

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Courts and juries seem to favor the "have nots." The "have" must pay.

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- ➔ AND OUR REMOVAL TO A NEW HOME

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Administration, has "paid its own way" every month since it was organized in Virginia slightly less than a year ago. L. O. Key of Roanoke, secretary-treasurer of the plan, reported at a meeting of FSA supervisors and personnel.

Mr. Key, who is also secretary and executive director of the Hospital Service Association of Roanoke, said that between 500 and 600 rural families in District 2 now carry hospital insurance in the Farmers Association and about 2,200 families in the state.

Watt Cleveland President

At the annual meeting of the Cleveland Association of Accident & Health Underwriters, Walter E. Watt, who heads the agency bearing his name, was elected president to succeed James T. Hinton, National Casualty. Oscar A. Klein, Inter-Ocean Casualty, was named vice-president and E. E. Michener of the Watt agency was reelected secretary-treasurer. Mr. Hinton automatically becomes chairman of the directors. He and the other officers who served the past year were given a vote of thanks.

Reports presented at the meeting showed substantial growth in membership in the past year.

The association will hold its annual banquet Jan. 4, followed by attendance at the Lakewood Little Theater.

Individual Enrollment Plan

Hospital Care Corp. of Cincinnati recently opened its doors for a limited period to individuals who are not eligible under the usual group arrangement, to buy hospital policies. This system of individual enrollment is being increasingly used by Blue Cross plans in various parts of the country. Associated Hospital Service of New York recently gave an opportunity for individual enrollment. In Cincinnati there was an enrollment fee of \$1 and the quarterly premium is \$1.90 for ward bed or \$2.65 for semi-private accommodations; \$4.60 family coverage for ward beds and \$6.10 semi-private room.

There is provided 21 days of bed care the first year and 30 days a year thereafter.

Doctors' Medical Plan Reviewed

Dr. Edward W. Anderson, secretary of the Polk County Medical Society, spoke before the Des Moines Association of Accident & Health Underwriters at its December meeting, discussing the proposed medical prepayment plan sponsored by the State Medical Society.

Christmas Dinner in N. Y.

NEW YORK—The New York Accident & Health Club held its annual Christmas dinner, a traditionally festive affair and the one meeting of the year which is devoted entirely to entertainment and social activities.

T. E. McGrath, Connecticut General, first vice-president, and president-elect for 1945, succeeding J. F. Lydon, Ocean Accident, made the arrangements for the meeting.

The club has sent \$5 as a Christmas gift to each of its 36 members who are now serving in the armed forces.

Plan Wichita Sales Congress

The Wichita Association of Accident & Health Underwriters held a special meeting Dec. 19 to consider plans for holding a sales congress at an early date.

Aero Broadens Flight Policy

Aero Insurance Underwriters has notified agents it has discontinued its "Aero flight policy" and is issuing a considerably broader coverage that is more flexible as to amount. The flight policy was limited to \$3,000 death and disbursement and \$500 medical reimbursement for \$20 a year plus \$2 per \$5 of weekly indemnity for 52 weeks. The new policy will be issued for principal sum up to \$25,000 at rates of \$5 per \$1,000, \$5 for \$500 medical with a charge of 50 cents for each addi-

tional \$100 of medical, and \$1 per \$5 of weekly indemnity for 52 weeks. The five exclusions dealing with violations of civil aeronautics regulations which were included in the former policy have been eliminated.

CHANGES

Phillips Elected President of Fidelity of Canada

Fidelity of Canada, Toronto, affiliate of U. S. F. & G., has elected Charles L. Phillips president, succeeding Col. A. E. Kirkpatrick, who has resigned at his own request. Mr. Phillips is executive vice-president of U. S. F. & G., Baltimore. For many years he has been an executive officer of U. S. F. & G. and a director of Fidelity of Canada. At the same time Alan T. Tutty was elected secretary and Robert K. Sinclair, treasurer, of Fidelity. A. E. Perry has been named manager of U. S. F. & G. in Canada and vice-president of Fidelity.

John P. Ryan Retires, Son Succeeds Him in Cincinnati

John P. Ryan, manager of Aetna Casualty's Cincinnati bond office since 1916, will retire Jan. 1. He will be succeeded by his son, Donald Ryan, who has been with Aetna since July, 1928. After being graduated from the home office bond school, Donald Ryan was assigned to the Minneapolis office as a bond underwriter and subsequently was transferred to the Wheeling office as a bond special agent. He was sent to the Cincinnati office as a bond special agent in 1929 and has been there since.

Johnson and Pollard Are Advanced at Louisville

Charles J. Pollard, assistant manager of the Louisville branch office of American Surety and New York Casualty, has been appointed manager there. He succeeds Lewis Y. Johnson, who becomes resident vice-president.

Leineke with Standard Accident

Jack Leineke has joined Standard Accident as supervisor of audit and engineering at San Francisco. Since 1942 he has been connected with U. S. F. & G. as a special representative on the Canol project in Canada with headquarters at Edmonton. Previously he was with Fireman's Fund Indemnity in Chicago and California. A brother, George F. Leineke, is assistant manager of the National Bureau of Casualty & Surety Underwriters at San Francisco.

William Sutton, for nine years a special representative of Pacific Employers, has resigned and will enter the insurance brokerage field in Los Angeles.

After 21 months of service, Cpl. Harold T. Jackson has been released by medical discharge from the army. He will resume his duties as field supervisor for the Farm Bureau companies of Columbus. Mr. Jackson, prior to his entrance into the army, had been with the Farm Bureau group as field supervisor.

Stone on Pacific Coast

E. C. Stone, U.S. manager of Employers Liability, is in San Francisco to discuss business problems and developments with northern California agents of the company. He speaks Dec. 21 at a luncheon for company representatives and associates.

Two Travelers Assistant Cashiers

Directors of Travelers have appointed Raymond H. Howard and Henry J. Williams assistant cashiers. Mr. Howard has been with the company since 1900, in the treasurer's office since 1915. Mr. Williams was with Phoenix Mutual Life 10 years before joining Travelers in 1918.

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ASSOCIATIONS

Ehrmanntraut President of N. Y. Casualty Managers

W. R. Ehrmanntraut, American Surety, was elected president of the Casualty Managers Association of New York at the annual meeting. The vice-chairman is R. H. Nichols, Fidelity & Casualty.

Liability Discussion in Detroit

DETROIT—A general discussion of problems in the liability field featured the December meeting of the Casualty & Surety Executives Association of Michigan, conducted by William Gamble, manager of Zurich and chairman of the organization's liability committee. The association honored Harry Crowder, assistant manager of Aetna, on his 25th anniversary with his company.

Hear Coroner in Los Angeles

LOS ANGELES — Coroner Frank Nance of Los Angeles county and Deputy Coroner Frank Montfort were honor guests at a meeting of the Casualty Insurance Adjusters Association. Mr. Nance, who has served continuously since 1921, told some of his experiences in that office.

Mr. Montfort, who was celebrating his 20th anniversary with the coroner's office, was presented a wrist watch by the association.

The association had sent a cash gift to each of its members in service, and replies were read from some of the recipients.

General Motors Film Shown

MILWAUKEE—H. R. Vogler of Motors Insurance Corp. presented a sound film illustrating the technique of repairing damaged automobiles at the meeting of the Casualty Adjusters Association of Wisconsin.

Detroit Adjusters' Party

DETROIT—More than 100 attended the fall party of the Detroit Adjusters Association with William Smith, Lumbermen's Mutual Casualty, presiding. The highlight was a mock compensation hearing for the Perpetual Denial Liability Company, presented by five members.

PERSONALS

Charles J. Spaulding, adjuster with American Automobile in Detroit, is the father of twin sons, his first offspring after 14 years of marriage.

F. C. McVicar and A. W. Spaulding, secretaries of Hartford Accident, sent out a joint Christmas card with a popular brand cigarette attached. Although the postoffice cancelling machine flattened it to some extent, it is reported that many recipients were able to make grateful use of this scarce commodity.

C. B. Petrie, well-known figure in the insurance and general publishing field, has been named assistant to the managing editor of "Safety Engineering," an Alfred M. Best publication. Mr. Petrie was for some time with the "Weekly Underwriter" and later was with American Surety. A brother, John Petrie, is in the publicity department of Continental Casualty-Continental Assurance, Chicago.

Col. George Olmsted, vice-president and chairman of Hawkeye Casualty of Des Moines, now in charge of the distribution branch of the international division of the army service of supply in Washington was at home for a visit after a trip through India, China and other points in Africa. He is a West Point graduate and was called into active service early in 1942.

Charles W. Leeman, president of

Metropolitan Accident & Health of Omaha, is famed in his city for his collection of more than 1,000 garish neckties and his friends are eager to see what spectral excesses in the neckwear line will be under his Christmas tree this year. Mr. Leeman shows off his ties to advantage both as president of Metropolitan A. & H. and as chairman of Omaha's downtown ration board.

Mr. Leeman seldom leaves a tie counter with fewer than a dozen of the most garish items.

The Senate military affairs committee heard William L. Mooney, Hartford, retired vice-president of Aetna Casualty,

endorse former Governor Robert A. Hurley of Connecticut to be member of the surplus war property disposal board.

Lester J. Bradshaw, for the past 21 years connected with Fidelity & Casualty at Milwaukee, has been appointed by Mayor Bohn of that city as a member of the city motion picture commission for a four-year term. Mr. Bradshaw managed the campaign of Mayor Bohn at the last city election.

Coal Operators Casualty of Pittsburgh has been licensed in Oklahoma.

New Jersey Manufacturers Casualty has been licensed in New York.

DEATHS

Jeremiah J. Sullivan, agency assistant at the home office of Aetna Casualty, died at his home at West Hartford at the age of 53. He had been with Aetna Casualty since 1914 and had been agency assistant for the past 18 years.

Warren D. Slover, manager of the home office automobile department of Glens Falls Indemnity, died at Glens Falls Hospital following an illness beginning the preceding day.

Mr. Slover was born at Elmsford, N. Y., 46 years ago. He became asso-

SPECIALISTS

in Meeting Emergencies



OFFICIAL U. S. MARINE CORPS PHOTOGRAPH

Back the Attack—with War Bonds

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FIDELITY AND DEPOSIT COMPANY

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ciated with Glens Falls Indemnity in 1928, as a special agent in northeastern New York. The next year, he was transferred to the automobile underwriting department and since 1938 has served as its manager.

Edgar M. Kincy, 57, superintendent of the surety claim department of Continental Casualty, died at St. Luke's hospital, Chicago, Saturday.

He had been with Continental 21 years. He was born at Greenville, Tex. and his family moved to St. Louis while he was still young.

Mr. Kincy started in 1908 with Missouri, Kansas & Texas Railway Co. Six years later he moved back to Texas, joining Southwestern Surety at Denison. There he met the late Ernest V. Mitchell, then connected with that organization as general attorney and later general counsel and director of Continental companies for many years. The two men became fast friends and continued almost parallel careers.

In 1918 Mr. Mitchell left Southwestern Surety to begin the general practice of law. Two years later Mr. Kincy likewise opened his own business, organizing the Kincy Realty Co. And in July 1923 both men joined Continental Casualty. Mr. Kincy starting as adjuster in the railroad accident and health department. In 1925 he was made supervisor of fidelity and surety claims. After Mr. Mitchell's death in 1942, Mr. Kincy was elevated to the position of superintendent of the department. He was secretary of the Chicago Surety Claim Association at the time of his death.

Mr. Kincy operated a farm near Crown Point.

A son, William Kincy, is a lieutenant (j.g.) in the South Pacific.

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LIABILITY
PLATE GLASS
COMPENSATION
FIDELITY - SURETY

Monopolistic State Funds Advocated

(CONTINUED FROM PAGE 10)

age and promote the employment of physically handicapped persons, including civilians and war veterans.

(g) Provision for workmen's compensation benefit payments through exclusive state funds—to reduce litigation incident to claim settlements, and to effect substantial reduction in insurance cost which saving shall be applied to liberalization of benefits to injured workers or their dependents.

Recommending to state governors and legislatures thorough study and appraisal of compensation laws and practices, the committee suggested that factual information be developed on the following points:

1. The disparity between present earnings and living costs of wage earners and existing maximum limitations on workmen's compensation benefit payments.

2. The disparity between insurance premium costs which are based on present payroll levels and the maximum payment limitations fixed by statutes enacted during a low wage era, primarily to ascertain to what extent liberalization of benefits can be effected without increase of premium cost.

3. The lag between the date of injury and the receipt of first compensation payment by the disabled employee.

4. The extent to which legal fees reduce the net monetary benefits provided to injured workers and what regulatory control over fees is exercised administratively under statutory authority.

5. The extent of under-payment or non-payment to injured worker through the operation of so-called agreement and direct settlement methods of adjudication, and the widespread and customary use by boards and commissions of insurance and employer medical puppet reports in measuring the extent of disability.

6. The actual effect of the elective type of workmen's compensation law in

respect to depriving workers of the benefits of this legislation.

7. The extent to which rehabilitation programs are realistically functioning as a necessary supplement to workmen's compensation benefits in view of the accepted principle that it is the responsibility of government to restore as fully as possible the earning capacity of injured workers.

Sustained Concentration

Pointing to "imperative need for intensified control of industrial accidents," in view of industrial casualties far exceeding war losses since Pearl Harbor, the committee says 90% of the former could have been prevented by sustained concentration. Federal, state, management and labor participation is declared essential.

To this end the committee recommended state labor laws placing responsibility upon employers to provide safe and healthful working conditions; development of state codes and regulations for workers exposed to specific accidents or hazards, with participation of management and labor; adequate and qualified enforcement personnel.

The federal government, the committee said, should provide more adequate facilities for the U. S. Department of Labor to work with the states in developing safety and health codes, disseminating safety information, stimulating accident prevention among labor, distribution of safety literature, preparation of engineering control methods and practices. Grants in aid to states to help them combat accident and health hazards in employment were also recommended.

Federal Legislation

Discussing federal legislation proposed, the committee reported the Public Health Service opposed H.R. 2800 to strengthen state labor departments, which the conference endorsed, as part of a campaign for accident reduction.

With reference to H.R. 4663, proposing to transfer certain activities from Labor to Public Health, which the committee opposed, it said: "The experience of labor with public health and in-

surance company doctors in workmen's compensation and other labor matters has been most unsatisfactory."

The committee criticized bills in Congress for incorporation of the National Safety Council, pointing out the incorporators would include no representative of government or of labor. The proposed organization should be called the "National Management Safety Council," the committee suggested.

The committee recommended that labor contribute more fully in attacking the industrial accident problem; that department of labor special accident prevention courses of training be utilized to a greater extent; that labor cooperate more in the nationwide drive for a 40% reduction of industrial accident frequency during the year ending June 30, next; and that the Department of Labor enlist active cooperation of state labor offices in this campaign.

Find That State Health Coverage Is Not Needed

(CONTINUED FROM PAGE 10)

points out that some companies are writing groups of 10 or even of five individuals, at reasonable cost, granting the privilege of continuance of policies as individuals at the group rate, in case other policies in the group are lapsed or discontinued.


"There is reason to believe that private insurance companies generally will consider it their responsibility to develop as attractive and economical plans as possible, consistent with cost of good administration to answer the need for smaller group coverage. It is hoped that the plans available for smaller group coverage will be more widely publicized than they have been in the past and that those employers without private plans of wage continuity in case of illness will come into line and avail themselves of some form of group coverage for the employee."

Two Problems in Group Cover

It mentions also the development of voluntary hospitalization plans, payment of sick benefits by fraternal societies with a membership of 151,563, and gives special recognition to the many and varied types of individual health and accident policies available through private carriers but which, it states, cannot be as attractive in premiums as the group plans. However, it forecasts the further development of this type of insurance along more economical lines when more normal conditions make it possible.

Two problems in connection with group coverage which are considered in the report are the possibility that with the cancellation of war contracts some employers may find it necessary to terminate such plans, although it is stated that this will be done only as a last resort because of the effect on relations with employees, and the last of continuity of coverage or transferability of the employees' insurance protection from one employer to another. It says that private insurance carriers realize the existence of this problem and their responsibility in meeting it.

The council questions very seriously whether the employer or employee can afford additional taxation at this time. When overtime is dispensed with and



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the 40-hour week is restored, with its attendant drop in earnings, it is questionable, with the continued deduction of the withholding tax, whether the balance of the worker's income could stand an additional deduction. Furthermore it might bring about pre-employment physical examination for selection of workers (not present in private group plans) at a time when reconversion plans call for a maximum of employment.

Because of the unknown factors in these abnormal times, it does not make any recommendation for new legislation but offers to continue its study of the subject if desired by the legislature.

Hobbs Undaunted; to Push Mail Bar Bill Again

(CONTINUED FROM PAGE 20)

especially in the south, based on my experience in practicing law. Sucker companies, preying on suckers, write millions, mostly in automobile and casualty lines. Negroes will buy anything with a gold seal on it. The policy usually binds the company to defend suits against the insured and pay claims in case of judgment. But I have personally obtained judgment after judgment, almost ad infinitum, and been unable to collect. Hundreds of other lawyers have had similar experience. When a judgment is obtained against an illegitimate company, it moves its office, changes its name and gets out a new batch of stationery. I know of instances where one concern or group had as many as six different offices in the same building, under different names.

"There is a terrific volume of this bootleg stuff written. It knocks the 'sure' out of 'insurance.' Postoffice department fraud orders against these 'fly by night' concerns do not meet the needs of the situation because of the changing of names and addresses. Also because of the ambiguous wording of policies being sold. The fine print in them knocks you out.

Dead Man Must Appear

"Competent actuaries have told me that under certain \$1,000 policies it is utterly impossible to collect more than \$10. I know of policies requiring the insured in case of his death to make a personal appearance at the home office of the company in presenting claim for loss. It is practically impossible to obtain conviction for violation of a fraud order because that is a criminal statute and proof beyond reasonable doubt is required. The 'fly by night' lawyer makes the jury believe that because its members are honest, the company is also.

"I know the answer—to deny use of the mails to unlicensed companies, for solicitation of business and collection of premiums. But the practical difficulty is to put that idea into words, so as to kill the illicit insurance racket without disturbing the legitimate industry. Under licensing, companies are required to stand suit.

"Lloyds of London, a legitimate concern which pays its claims, can sue in any court in this land and be sued in none. It can sue in some 2,000 to 3,000 counties throughout the nation, but can't be sued there. I don't think we ought to 'buy a mule that won't kick both ways.'"

Receiver Loses Assessment Case

The Maryland court of appeals has reversed a lower court decision obtained by the receiver of Eastern Mutual Casualty sustaining the validity of a policyholder assessment in respect of two policies and has remanded for new trial that portion of the case involving a third policy assessment. The issues and facts are involved and turn largely on the interpretation of the statute of limitations. The lower court had given a judgment of \$576 with interest and cost of suit to the receiver. The case was *Lichtenberg et al. vs. Joyce, receiver of Eastern Mutual Casualty*.

NWLB Declines to Order Group Cover Into Effect

WASHINGTON—The principle of group insurance is approved by the national war labor board in its decision on the so-called basic steel case, in which various items of increase were allowed steel workers. However, it declined to order into effect group insurance on the basis of the facts submitted. In its directive order in the case, entitled *Carnegie-Illinois Steel Corp.*, and others and *CIO United Steelworkers of America*, the board said:

"The board will approve, under the wage stabilization program, reasonable group insurance plans agreed to by the company and the union but it declines to order such a plan on the facts in these cases."

Neil Brant and John Brophy, CIO members of the board, dissented with respect to this point in the board's order.

Discusses Aviation Liability

ST. PAUL—Some of the liability problems which will arise when post-war flying hits its peak are discussed in an article in "Bench and Bar," published by the Minnesota Bar Association. Some of the Minnesota lawyers suggest that the liability imposed may be greater in the case of flying than in motoring. Among other things they point out that often there are no surviving witnesses in a plane disaster and hence it may be impractical to apply the customary exemption from liability due to weather and other acts of God. The article suggests that accident insurance be provided in connection with each airplane passenger ticket, payable without proof of negligence.

In the case of private flying the article points out that a serious accident might strain the resources of even a wealthy man and that if the public is to be adequately protected every plane in operation should be fully insured.

Conference on Industrial Nursing

NEWARK—A conference on industrial nursing was held here by American Mutual Liability. Nurses and representatives of management from northern New Jersey industries attended.

Among those taking part were Dr. Henry C. Marble, surgical director, and Dr. William A. Bishop, associate at Massachusetts General Hospital. The conference was arranged by A. Dudley Britton, director of medical relations, and Robert F. Wyman, eastern division claims manager.

Subsidize Long-Term Patient

NEW YORK—The chronic, long-term hospital patient should be subsidized and government at all its levels should be prepared to do this without asking how long he intends to be sick, Dr. E. M. Bluestone, director of Montefiore hospital, told the National Conference of Catholic Charities committee on health. Chronic civilian sufferers should be shown the same care and patience as veterans suffering similar ailments, he said. "So long as the need for a bed continues, humanitarians may not draw artificial distinctions between acute and chronic illness," he declared.

Adds to Home Office

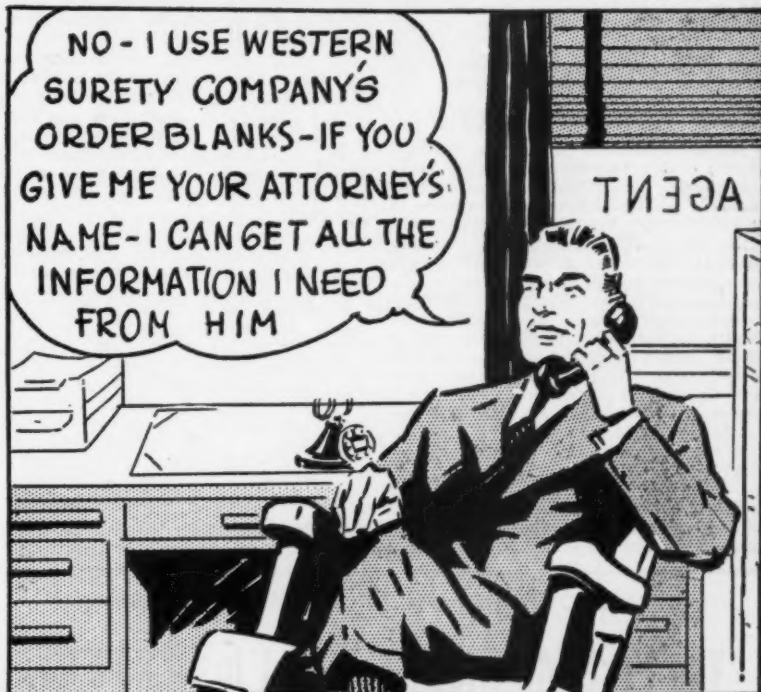
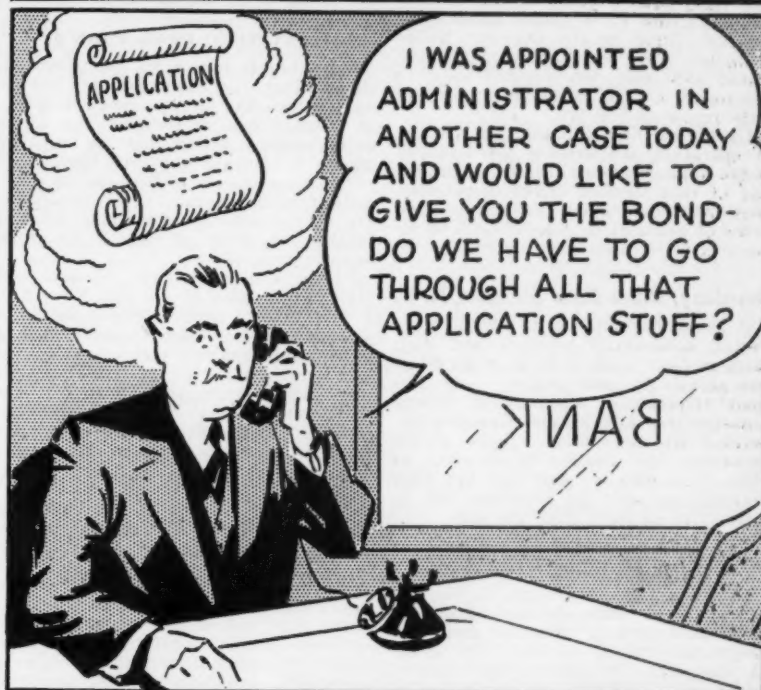
Farm Bureau Mutual Automobile purchased the connecting property to their present home office building in Columbus. The company now possesses the entire frontage on High street from Chestnut street to Hickory street, measuring 187½ feet, with a similar depth.

Rate Reductions in Wisconsin

MILWAUKEE—Reductions in workmen's compensation rates of 11.8% in the collectible level and in the manual level of 7.4% have been made by resolution adopted by the rating committee of the Wisconsin Compensation Rating & Inspection Bureau, effective Dec. 31.

The action was in line with recommendations made by the National Council on Compensation Insurance.

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78% of Motorists in Indiana Are Now Insured

Seventy-eight percent of the Indiana motorists now carry public liability insurance, State Safety Director Stiver estimates. This compares with an estimated 33% motorists insured prior to enactment of the stringent motor vehicle responsibility law.

During the first year that the law was in operation, the driving privileges of 26,625 motorists were ordered suspended and of that number 19,709 suspensions were rescinded when the drivers filed proof of financial responsibility. The remaining 6,916 cases are pending.

Burglary, Theft Rate Slash in N. Y.

A reduction of more than 20% in the overall commercial burglary and theft rates in New York is to be made effective shortly by joint action of the National Bureau of Casualty & Surety Underwriters and Mutual Casualty Insurance Rating Bureau. Some of the reductions will amount to as much as 25%. The effective date has not been decided upon but the reduction will be retroactive 60 days from the date.

Would Let Mutuals Write Bonds

MILWAUKEE—Mutuals would be permitted to write fidelity bonds for Milwaukee county officials and employees, as well as various other types of insurance carried by the county, under an amendment recommended to the present ordinance by the judiciary committee of the Milwaukee county board of supervisors. Under present regulations, mutuals are excluded from submitting bids on fidelity bonds.

New N. Y. Medical Benefit Plan

NEW YORK—The new medical benefit contract of United Medical Service, offering full payment of doctor bills incurred in hospital to subscribers in specified wage brackets, has been officially approved by several of the county medical societies and will undoubtedly be approved by all five societies in the metropolitan area. For individual subscribers with incomes up to \$1,800 and family subscribers with incomes up to \$2,500 medical fees incurred in hospitals would be paid in full. Subscribers with incomes up to \$3,500 may have their physicians' bills reviewed if deemed excessive. Obstetric fees are included in the family contract.

Premiums are 52 cents monthly for an individual, \$1.12 for husband and wife, and \$2 for a family. Subscribers of any size income are eligible, but those having incomes in excess of the maxi-

Insurance Bills Not Called Up

(CONTINUED FROM PAGE 5)

moratorium provision to the provision, substantially, in Commissioner Garrison's proposal of last summer, which was an attempt to name the particular kinds of cooperative action that ought to be exempted from the anti-trust laws.

"That was agreed to between the commissioners and myself. The commissioners put that plan up to the industry, and all agreed to it except some of the stock fire companies.

"Then Commissioners Johnson and Harrington came to me last Thursday. I told them I had no objection to a moratorium if it were identified in the bill what its purpose was.

"I arranged for a conference between them and Attorney General Biddle. On the commissioners' compromise proposals I wrote some language to indicate what I thought would accomplish this definition of the purpose of the moratorium, substantially as follows:

"For the purpose of enabling the states to conform to provisions of this act, the Constitution and the anti-trust laws, the anti-trust laws should not apply until March 1, 1946, to the business of insurance or any acts in its conduct."

"The Attorney General said that form would be acceptable and that if it were adopted he would recommend signature of the bill, if passed.

"As thus amended, the proposal would have contained:

"1. A Congressional declaration that the states should continue the regulation of insurance.

"2. That they would have the right to continue to tax the insurance business.

"3. Provision for a moratorium until March 1, 1946, long enough to cover the sessions of state legislatures during 1945 and 1946.

"4. A clear statement that the purpose was not to evade the anti-trust laws, but to adjust the insurance business to the law.

"But even that was not acceptable to some stock fire interests.

"I still believe this thing can be worked out," said O'Mahoney. "There has been considerable progress towards an understanding of the issue.

"A comparison of the amendments suggested by the commissioners, and agreed to by the industry, contained in

mum would merely receive partial payment against their bills.

the McCarran-Ferguson substitute, with provisions of the substitute offered by Senator Hatch and myself will show that the principal difference now is the moratorium period and the question as to what extent Congress, in granting a moratorium, shall state the purpose for which it is to be granted.

"The reason this difference has not been settled was undoubtedly due to the fact that there still is an effort to secure complete exemption from the anti-trust laws."

There were rumors that an eleventh hour cloakroom conference might be held among Senators McCarran, Ferguson, O'Mahoney, Hatch and possibly others interested, to see if there were possibilities of getting action on the insurance bill before adjournment.

Essential difference between the McCarran compromise amendment and the O'Mahoney-Hatch substitute is found in section 4 (A) of the latter, reading:

"For the purposes of enabling the several states to adjust state laws to the provisions of this act, of the Constitution of the United States, of the act of July 2, 1890, as amended, known as the Sherman act, and the act of Oct. 15, 1914, known as the Clayton act, until March 1, 1946, the said Sherman and Clayton acts shall not apply to the business of insurance, or to acts in the conduct of such business."

It was pointed out by business representatives that this language would virtually require 48 state insurance laws to be enacted within the next 14 or 15 months—a practical impossibility, they say.

Following conferences with Attorney General Biddle and O'Mahoney, and being unable to obtain agreement by the stock fire group to modifications suggested by O'Mahoney. Commissioners Johnson and Harrington apparently gave up hope and left the city Sunday.

Senator Hill, acting majority leader, opposed calling up the measure, as he objected to consideration of insurance legislation by this Congress.

The stock fire spokesman denied members of that group had conferred with the Attorney General last week. He said his group was not worrying about the department's attitude, O'Mahoney's opposition, or possibility of a presidential veto. "We are looking to Congress for relief," he said.

It was learned that conferees with Biddle included Senator Radcliffe, Maryland; Stuart Galloway, Fidelity & Deposit; Ray Murphy, general counsel Association of Casualty & Surety Executives, and Commissioners Johnson and Harrington.

After getting O'Mahoney's "ultimatum", which the commissioners agreed to, they renewed their contacts with industry group representatives. Life and mutual interests were reported willing to accept terms of the ultimatum. However, the stock fire group would not accept.

Nor would members of the Senate and House backing insurance legislation accept it, according to report. Some authorities said it would be impossible, or at least impracticable to make insurance state laws and regulations conform to federal laws, including anti-trust and labor, the Court decision and the Constitution.

Stock fire will not agree, according to report, to make the anti-trust less applicable to insurance after the suspension period.

The gossips said Biddle had drafted for the President a proposed veto of the Walter bill, "just in case."

Retention of section 4(c) in the compromise plan was regarded as a concession by E. L. Williams, stock-fire leader. That section declares that nothing contained in section 4 "shall render the said Sherman act inapplicable to any act of boycott, coercion or intimidation."

A. V. Gruhn, American Mutual Alliance, and Robert Hogg, American Life Convention, were among industry representatives active here during the past few days.

Messrs. Harrington and Johnson worked diligently here in an effort to effect a last minute agreement on legis-

lation, so that a bill could be rushed through without objection. They saw Biddle and a large number of Senators and Congressmen and they were well received and given attentive consideration. Their approach was non-contentious and it is believed they served to elevate the discussion of insurance legislation to a more objective plane.

The Bailey-Walter insurance states' rights bill having died, industry members are discussing legislative plans in the next Congress, coming in Jan. 3. Possibilities and prospects are reported to have been discussed at a New York meeting of casualty interests Tuesday.

Who will introduce what bill in the new Congress is not known as yet, except that Rep. Walter, Pennsylvania, has told The NATIONAL UNDERWRITER he would reintroduce his bill.

However, Senator Bailey, North Carolina, will not reintroduce the bill bearing his name, according to authoritative information. He has been dissatisfied for some time with respect to the measure, did not try to get it up in the Senate in recent weeks, thought its modification necessary and suggested that O'Mahoney modify it. Bailey, however, may introduce a different insurance bill. The O'Mahoney-Hatch substitute is expected to reappear next Congress.

It is understood stock casualty interests were willing to accept the O'Mahoney-Hatch substitute in order to get action by the recent congress. However, with the possibility of two years in which to win a fight for more liberal treatment of the industry, it was not known here whether they would still go along with that substitute, which stock fire refused to accept.

Reduce Airlines Accident Rates

Rates on accident insurance per trip sold by airlines have been reduced. Previously the charge was 25 cents per \$5,000 of coverage for a four hour flight, which meant that that amount of protection could be purchased for \$1 for any one way trip in the United States. Under the new set up, a passenger can purchase \$5,000 of insurance for 25 cents on any one way trip in the U.S. U.S. Aviation Underwriters and Associated Aviation write the coverage.

American Auto Chicago Party

The Chicago branch office of American Automobile held its annual employees Christmas party at Edgewater Beach hotel this week with upwards of 200 attending. There was a dinner, entertainment and dancing. E. D. Loring, resident vice-president, was host.

Hoyt W. Gale, 69, one of the best known insurance men in Cleveland, died from a heart attack at the home of his son, A. Davis Gale. He had been in insurance work in Cleveland for 32 years. He was born at Valdosta, Ga., and after banking experience in Brunswick, Ga., went to Cleveland as general agent of Home Life of New York. He later founded the general insurance agency known as the Hoyt W. Gale Co. in conjunction with his four sons—Hoyt W. Gale, Jr., Ben P. Gale (now a lieutenant colonel at Wright Field, Dayton), Frank W. Gale and A. Davis Gale. He became general agent of Columbian National Life in 1941.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Propose Change in Minn. Insurance Department Setup

ST. PAUL—A change in the insurance department setup is proposed in the report which an interim legislature committee will make at the coming session of the legislature. It now is a part of the department of commerce, the other divisions being banking and securities. The heads of the three divisions comprise the board which handles the department of commerce. The report suggests a technical man, trained and experienced, head each of the three divisions, with an overall policy man to supervise all three.

It would abolish the state fire marshal's department, its work to be taken over by the department of labor and industry. The bureau of criminal apprehension would be charged with investigation of fires of incendiary origin.

Wisconsin Mutual Group Elects, Changes Name

MILWAUKEE—Wisconsin Federation Mutual Insurance Companies is the new name adopted by the group of domestic mutuals writing city and village risks, heretofore known as the Wisconsin Association of Mutual Insurance Companies, at the annual meeting here. Monroe Schwalbach, Germantown Mutual, was reelected president; Junias Pleuss, Manitowoc Mutual, vice-president, and Theo. R. Schmidt, Kewaskum Mutual, was renamed secretary-treasurer for his 21st term. New directors are George A. Jacobs, Citizens Mutual, Janesville, and Mr. Schwalbach.

Nominated to represent the mutual companies on the management committee of the Wisconsin Fire Insurance Rating Bureau were Theodore Stickle, Furniture Dealers Mutual, Milwaukee, and Mr. Pleuss. August Fuge, West Bend Mutual, was elected to represent the federation on the board of the Wisconsin Mutual Alliance.

Racine Officers Reelected

RACINE, WIS.—Sherman Blandin was reelected president of the Racine Insurance Board at the annual meeting, as were Sidney Nelson, vice-president; Dewey Liegler, secretary-treasurer; Grover Miller and Frank Thiery, directors.

The Racine County Insurance Board, meeting jointly, reelected W. K. Porter, Burlington, president; Mr. Blandin, vice-president; Mr. Liegler, secretary-treasurer; Russell Cooney, Burlington; Marvin Schoeppe and Sidney Nelson, directors.

Mass Examinations at Minneapolis

MINNEAPOLIS—At the meeting Jan. 8 of the Minnesota Underwriters Association arrangements have been made with the insurance department for all members of the association to take their mass written examinations for licenses.

Minn. Mid-Year March 22-23

MINNEAPOLIS—The mid-year meeting of the Minnesota Association of Insurance Agents has been tentatively set for March 22-23 at the Nicollet hotel, Minneapolis. Members are being asked to indicate what type of program they would like.

Roy Mitchell, South St. Paul, is general chairman, assisted by Ray H. Ostrander, Albert Lea; Henry C. Olson, Virginia; Burt C. Hubbard, Duluth, and Roy F. Miller, Minneapolis.

New Dwelling Form Draws Crowd at Gary Meeting

J. C. O'Connor, Chicago, editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, discussed the new dwelling and contents form and general trends in fire insurance rates and coverages before the Lake County (Ind.) Insurance Agents Association in Gary last week. Over 50 attended, despite the sudden snowstorm which had hit Gary very hard, and maintained an animated discussion. D. S. Furse, president Gary Board, the host organization, was in charge. J. J. Block, East Chicago, president of the county group, announced that the date of the next meeting would depend on legislative developments.

Garrett Opens St. Louis Office with Bitter Manager

Garrett, Inc., general agency at Kansas City, has opened a service office in St. Louis at 208 North Fourth street. Arthur J. Bitter is manager of the office which services St. Louis and the eastern half of Missouri, a territory in which he is well known.

Mr. Bitter entered insurance about 25 years ago with the American Central in New York. He has recently been in charge of the service office of Great American in St. Louis, servicing St. Louis city and county and southern Illinois. Before that he was with the Fireman's Fund in Nebraska and eastern Missouri, with headquarters in St. Louis.

Scholl Heads Two Wis. Groups

Henry L. Scholl, Watertown, was elected president of the Jefferson County Association of Insurance Agents at a dinner meeting at Jefferson, Wis. Clarence Kieseon, Jefferson, was named vice-president, and Arthur R. Setz, Waterloo, reelected secretary-treasurer. Directors are S. O. Donkel, Jr., Fort Atkinson; W. R. Norris, Palmyra; B. H. Samson, Lake Mills, and George Zoelle, Watertown. Emil Neupert, Lake Mills, president of the Jefferson County Bankers Association, spoke.

Mr. Scholl also was elected president of the Watertown Insurance Board at its annual meeting. Edgar J. Kellerman is vice-president; William C. Krueger, secretary-treasurer.

Strike Halts Detroit Meeting

DETROIT—The December meeting of the Detroit Association of Insurance Agents at which directors are nominated will not be held this year because of the cooks' strike in the hotels. Members have been advised that they may submit nominations to the association office by mail.

The present directors have nominated for the four places on the board Leslie Hamman, Hamman agency; J. P. Moore, Paris agency; Robert Neesley, Neesley agency; Charles Nevens, General Underwriters; Thomas Joyce, S. C. Hadley agency; P. E. Marion, Marion agency, and Arthur Roehm, D. F. Broderick, Inc. Members may add as many names as they choose, to be voted upon at the annual meeting late in January.

Women St. Paul Agents' Guests

ST. PAUL—Local agents of St. Paul, who for several years have been entertained once a year by their girl employees, reversed the situation this month and were hosts to the St. Paul Association of Insurance Women at a dinner with 100 members of the two organizations in

attendance. The officers of the women's association were seated at the head table.

In order that the women might learn how their bosses conduct their association affairs a brief business meeting of the Insurance Agents Association was held, at which officers and committee chairmen made reports on various activities. Roy Mitchell reported on fire prevention; Leroy D. Engberg on the educational course, and Jule Hannaford, Jr., on public relations.

Insurance Courses at Ohio State

Courses in life, fire and marine insurance will be taught in the twilight school at Ohio State University in Columbus, which will start Jan. 3. Prof. J. Wayne Ley will be in charge.

Forum Discussion in Hutchinson

The Hutchinson (Kan.) Association of Insurance Agents held a forum discussion on changes in forms and rates.

Kan. Executive Committee Meets

The executive committee of the Kansas Association of Insurance Agents met in Topeka for the first session since the annual meeting in October. V. G. Henry, Wichita, state national director and new member of the executive committee of the National association, reported on the Philadelphia conference. President George Stoskopf announced his committee appointments.

More Than 9,000 Minn. "Exams"

ST. PAUL—More than 9,000 examinations have been taken by Minnesota agents under Commissioner Johnson's ruling that all agents must take such examinations by June 1, 1945. This is less than a third of the estimated 30,000 that will have to be taken but the tests are continuing each week.

Name Ohio Finance Committee

Harry T. Minister, president of the Ohio Association of Insurance Agents, has appointed Leeds Bronson, Hamilton; Henry Frankel, Cleveland, and Gustav May, Cincinnati, members of the standing committee on finance.

Dinner for Lund and Ryon

MINNEAPOLIS—A testimonial dinner in honor of Charles J. Lund, general manager, and M. B. Ryon, manager of the Fire Underwriters Inspection Bureau, is being arranged by a group of field men and local agents. No date has been set but it probably will be early in January. Mr. Lund recently was promoted to general manager and Mr. Ryon to manager.

NEWS BRIEFS

W. Y. Armstrong, Cleveland manager of American Appraisal Co., addressed the Detroit chapter of the National Association of Cost Accountants on the complexities of insurance appraisals in postwar accounting.

The Dulaney, Johnston & Priest agency of Wichita is holding its Christmas party for the agency staff and field men associated with the agency Dec. 22. The staff of Sheffer-Cunningham, adjusters, will be included.

Henry V. Schott, secretary of the Wichita Association of Insurance Agents, who has been with the Smith, Stone & Snyder agency for nearly 15 years, has gone with the E. M. Woodard agency.

The new dwelling and household goods form was explained at a meeting of the West Central Minnesota Agents Regional Association at Benson.

The Wichita Association of Insurance Women held its Christmas party Dec. 18. It was a farewell for Mrs. Pearl Schoff, secretary in the Great American-Home office, who is retiring from the

business. Her husband, Harold Schoff, is a staff adjuster with Western Adjustment. President Loree Blue of the Anderson-Coombs agency was in charge.

The Hutchinson (Kan.) Association of Insurance Women staged its Christmas party Dec. 20. C. E. Stiehl, London & Lancashire, Topeka, will speak at the January meeting on "Coinsurance."

Gifts for service men were collected at the Christmas party of the Insurance Women of Milwaukee attended by 86.

The Insurance Women of Akron held their annual Christmas party Wednesday, with a dinner and business session. The annual Christmas exchange of gifts occurred. The club as its Christmas project this year has adopted a needy family and members are contributing food, clothing and money. Educational classes will be resumed in January under the direction of C. M. Peterson, assistant manager of Travelers Fire, Cleveland, who will conduct a course in inland marine insurance.

At the annual Christmas party members of the Association of Insurance Women of Kansas City exchanged gifts. Western Adjustment acted as host.

E. Schuyler Hancock has opened a new local agency in Anderson, Ind.

At the annual card party of the Minneapolis Insurance Women's Association, John E. Jackson of Weeks & Jackson acted as master of ceremonies and presented the club with three cash raffle prizes. A number of Minneapolis insurance offices contributed prizes for the affair. Malda Pitblado was chairman.

At the annual Christmas party of the Insurance Women of Cleveland, members instead of exchanging gifts brought children's toys for donation to an orphanage. Members and the Insurance Women of Akron were guests.

SOUTH

Stricter Control of Rates Sought in N. C. Proposals

RALEIGH, N. C. — Subcommittee proposals calling for the establishment of a state fire insurance rating bureau, the establishment of an insurance advisory board, and the licensing of existing rating bureaus in the state were considered at a meeting here of the commission appointed to recommend changes in the North Carolina insurance laws.

Other proposals of the subcommittees, which were named to study various phases of the state's insurance laws, include increased control over rates promulgated by the compensation rating bureau and the automobile rate administrative office, and for the adoption of the 1943 New York standard fire policy to replace the standard fire policy adopted in 1915.

Proposals were also heard concerning investment, capital and surplus requirements of companies.

Following the open meeting, attended by insurance company representatives, the commission held an executive session to decide which proposals should be incorporated in its recommendations to the legislature.

Just a Starter

Commission members said that the revision of the North Carolina insurance laws is expected to require at least two years and that the recommendations to be presented to the 1945 legislature, convening in January, will be but a starter.

The subcommittee recommendation calling for fire insurance rating bureau would require all companies writing fire, lightning, wind storm, explosion, and direct damage to motor vehicle insurance to be members of the bureau. No rates would become effective until they

are filed and approved by the state insurance commissioner, who could investigate the necessity for increases or reduction in rates and permit deviations under certain conditions.

The proposal for the establishment of an insurance advisory board would set up a board composed of at least two persons with experience in the insurance business, the board to meet only upon call of the state insurance commissioner.

Surety Rate Regulations

Under the proposal for licensing existing rating bureaus and requiring the filing of rates, companies writing fidelity and surety would be required to file rates with the insurance commissioner and the rates would be subject to his approval. The commissioner could permit deviations under certain conditions and could investigate the necessity of increasing or decreasing rates. Under existing North Carolina law the bureaus now file rates with the commissioner but they are not subject to his control in any way and the licensing of rating bureaus is contingent largely upon the payment of a fee and not upon meeting requirements.

Youth Says He Set Theater Fire

COVINGTON, KY.—Police are investigating the statement of a youth who says he set fire to the Madison theater here. The fire completely de-

stroyed the interior of the theater. The youth says he placed cotton on a divan in the lounge and set it on fire with a cigarette. He was incensed because his brother had been ejected from the theater earlier in the evening by an usher who accused the brother of smoking and noise making.

Self-Insurance Move in Arkansas

LITTLE ROCK—A recommendation that the state carry its own insurance as a measure for "economy and efficiency" was made by members of the joint budget committee, representing both houses of the Arkansas legislature, in a pre-session conference here with governmental department heads to prepare appropriation bills for submission in January.

Senator Roy Milum, Harrison, a committee member, said that the state "appropriates indiscriminately for insurance items in each budget. Rates appear too high and we have no way of determining whether state property is adequately covered. The state is carrying fire insurance now on concrete bridges."

In that connection W. W. Mitchell, state highway director, said fire policies totaling \$74,500 are carried on two Arkansas highway bridges of combination

concrete, steel and wood construction. Although the foundation and principal structure is of concrete and steel, these bridges have wooden floors, approaches and pilings, and consequently fire insurance has been carried on them. He recalled that although the Harahan highway bridge across the Mississippi, linking Arkansas and Tennessee at Memphis, is of steel and concrete construction, a fire on the wooden floor of the structure recently caused considerable damage.

A bill was introduced in the 1943 Arkansas legislature to create a \$100,000 state insurance fund to be administered by a "state insurance board" but failed to receive a majority vote in the house.

McKenzie's Budget Approved

Jack G. McKenzie, newly appointed insurance commissioner, who will take office some time in January, appeared before the committee and requested a departmental budget of \$32,650 for 1945-46, about \$1,000 under the current insurance department budget, which the committee readily approved. It eliminates the position of "rate expert, workmen's compensation," which, although included in the department personnel list, was paid through an appropriation for the workmen's compensation commission. Neither that commission nor the new commissioner, after conferring, saw any further need for the continuance of this job.

Mr. McKenzie said he had just had a conference with Col. B. F. Marshall, industrial protection officer of the 8th Service Command, Dallas; that the department would continue to give full support to the SWIS and Arkansas Association of Insurance Agents in checking industries and plants in Arkansas engaged in war production.

John V. Coe, Jr., Realty Mortgage Co., secretary-treasurer. New members of the executive committee are Robert L. Gregory and Henry Fowlkes.

A memorial was adopted for the late Frank N. Julian, the superintendent of insurance.

Greensboro Exchange Elects

GREENSBORO, N. C.—William V. Simpson has been elected president of the Greensboro Insurance Exchange, succeeding L. C. Amos. E. J. Carpenter was elected vice-president; Wilson Mitchell, secretary, and Miss Virginia Vestal, assistant treasurer.

Hear Satterfield in Richmond

Dave E. Satterfield, Jr., who recently became general counsel of the Life Association of America, spoke briefly at a joint dinner-meeting of the Casualty & Surety Underwriters Association of Virginia, Insurance Exchange of Richmond and Stock Fire Insurance Field Club of Virginia in Richmond at which E. H. O'Connor, executive director Insurance Economics Society, was the chief speaker.

Theo. W. Kelley, president of the Julius Straus & Sons agency of Richmond, presided. Toastmaster was Edmund T. DeJarnette of DeJarnette & Paul, Richmond, past president of the Virginia Association of Insurance Agents. Among the guests were Commissioner Bowles, Courtenay W. Harris, rate clerk of the Virginia department; Leo Freeman, manager Virginia rating bureau; Wyatt Wood, associate manager; B. C. Lewis, Jr., vice-president and secretary of Virginia F. & M., and Bernard Mallory, assistant secretary of that company.

Predict San Antonio to Lose Half Its Rate Credit

According to "Brand News," weekly publication of Cravens, Dargan & Co., San Antonio may lose 10% or half of its good fire record credit effective March, 1945. It points out that since the system of fire record credits and debits for cities and towns was established in Texas, San Antonio enjoyed the maximum credit until last year when it was reduced from 25 to 20%. Because of heavy fire losses in recent months the city may lose half its credit.

"Brand News" states that this possibility illustrates the importance of the agent emphasizing to customers in Texas the wisdom of buying insurance for three and five year terms. Residents of San Antonio whose policies have from two to four years until renewal date will have insurance at the old lower rate, while those whose policies were purchased for one year only must pay more for their insurance when they renew.

Loss of the 10% credit by San Antonio means that insured in that city will pay about \$90,000 a year more in 1945 than in 1944.

San Antonio has had a 25% credit from 1936 until 1944. It was the only major city in the state to hold the maximum through those years. Houston has a credit of 10%, Dallas a debit of 10% and Ft. Worth a credit of 5%.

Tallahassee Agents Elect Yaeger

The Tallahassee Association of Insurance Agents at its annual meeting elected H. J. Yaeger president to succeed Payne H. Midyette, and reelected Alex Coakley secretary. Manly Stockton of Hartford Fire, Atlanta, discussed post-war automobile financing and officials of the Tallahassee banks attended.

Walsh Birmingham President

BIRMINGHAM, ALA.—The Birmingham Association of Insurance Agents has elected Maurice M. Walsh of the Walsh Insurance Agency president to succeed C. C. Crawford. James O. Hargis, Jr., Molton, Allen & Williams, was named vice-president and

Downs on Va. Commission

RICHMOND—L. McCarthy Downs, state auditor of public accounts for 10 years, was elected a member of the Virginia corporation commission, which has supervision over the insurance department, at a special session of the general assembly.

Surety men are strong in their praise of his work as auditor, as shortages of county and city officials have virtually been eliminated.

Branham Heads Orlando Agents

J. T. Branham was elected president of the Orlando Insurers' Association at the annual meeting, and Mrs. Elaine G. Williams was reelected secretary.

NEWS BRIEFS

Dudley Gale of Gale, Smith & Co. has been elected chairman of the Nashville municipal auditorium committee, which will direct construction of a \$2,000,000 public auditorium and office building for the city. He is visiting various other cities, inspecting their public auditoriums.

T. Allen Lupton, local agent, has been elected a director of the Chattanooga, Tenn., Chamber of Commerce. E. E. Brown, local agent, is president.

John C. Browder, local agent and mayor of Springfield, Tenn., has been reelected secretary of the Chamber of Commerce there.

Harold E. Ryman, St. Augustine, Fla., local agent and former director of the Florida Association of Insurance Agents, has been released by the navy after more than two years of service.

Insurance Women of Birmingham, Ala. have elected Mrs. Ruby Ackerman, president; Mrs. Verdery Greenwood, vice-president; Mrs. Allene Drake, treasurer, and Miss Marge Prior, secretary.

The Insurance Women's Club of Oklahoma City held a Christmas party. Ell Omar, recently returned from 33 months overseas, spoke.

Miss Julia Keith has been elected president of the Charlotte (N. C.) association of Insurance Women; Miss Katherine Blakely is vice-president; Miss Gwen Jones, secretary, and Miss Ernestine Thies, treasurer.

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PACIFIC COAST AND MOUNTAIN

Currey in Charge of Joint Office

The joint west coast department office at San Francisco of Boston, National Union and Providence Washington has been placed under the supervision of C. E. Currey with the title of executive assistant manager. For a number of years he has been manager of the southern California department of that office with headquarters in Los Angeles. George E. Madding, who has been agency superintendent at San Francisco, is named assistant manager.

The new setup follows the resignation of George P. Williams as manager and H. W. Semmelmeier as assistant manager. Mr. Currey, a native of Saginaw, Mich., served in the last war and entered insurance in Los Angeles in 1923 with the Henley & Scott general agency. In 1933 he joined the National Union, Providence Washington, Boston office at Los Angeles.

Mr. Madding was with the Pacific Board until 1927 when he went with the San Francisco brokerage firm of J. B. F. Davis & Son. In 1929 he went with National Liberty as department manager at San Francisco. In 1931 he went with National Union.

Gunther Heads Brokers Exchange of California

SAN FRANCISCO—Elmer E. Gunther of Bailey, Martin & Fay has been elected president of the Insurance Brokers Exchange. Approval was given to change in the name of the organization to Insurance Brokers Exchange of California. It was voted to do away with the provision requiring all members to post deposits of \$50 as a cash guarantee of meeting fire and earthquake insurance premiums. Accumulated deposits in this fund will be returned to the original depositors.

Harvey V. Kindt was elected first vice-president and Joseph H. Miller of Miller, Day & Ames, second vice-president. E. Pym Jones, R. D. Blake and

Herbert E. Sharpe were elected to the board of governors; Herbert Henderson, Brace Carter and E. M. Trulsen to the arbitration committee. Mr. Gunther succeeds Don B. Wentworth of the Wentworth Company.

Seattle Public Cover Plan Aired in Newspaper

SEATTLE—The fire insurance on the King county airport, a line of almost \$250,000, is the center of a political storm currently featured in the Seattle "Municipal League News" and the Seattle "Star."

The Municipal League published an article headed: "Who will get the insurance business for the county airport?" explaining that one agency secured virtually the entire line and has had it for some time. The Seattle "Star" later reported that the King County Insurance Association had offered to serve as the county's insurance representative in a letter sent last August which has reposed unanswered in the county commissioners' file ever since.

Plan Is Suggested

Signed by President Willard H. Scott, the letter which was published in the "Star" explained the association's plan of writing public business, pointing out that the following public lines have been so handled: King County Hospital, since 1931; Port of Seattle, since 1932; Seattle Housing Authority, since 1940; and Seattle transit system, since 1940.

"We can draw on practically all the leading agents for specialized information and also use the engineering experts employed by the insurance companies and the Washington Surveying & Rating Bureau," the letter states. "The plan contemplates placing . . . responsibility . . . in the hands of an insurance manager . . . he would be at your command at any time. His duty . . . would at all times hold the interest of King County as paramount. It would be his obligation to furnish all necessary data needed to guide you in placing the business which would include an exhaustive examination of your needs, inspection of premises, hazards, thorough consideration of all your contracts to see how they would affect your liability. . . ."

It is pointed out that the program "would relieve your board from incessant solicitation by practically every local agency in the area and remove your insurance entirely from politics. . . ."

Cover Seattle Rented Schools

SEATTLE—The Seattle school district has awarded a fire insurance line of \$241,188, covering five schools rented from the United States government, to Northwestern Mutual Fire through the Newton & Greer agency. The three-year policy is for fire only. It is written blanket on a 100% coinsurance basis. The premium is \$2,308.

The schools have been turned over to the Seattle school district for use during the war period, when the city's school enrollment is at a record high because of the influx of war workers and their families. Under the rental terms, the school district agreed to insure the properties in lieu of rental payment. The district does not carry insurance on its own properties, having for many years maintained a self-insurance fund.

Fire Patrol Is Dissolved

SAN FRANCISCO—The Underwriters Fire Patrol of San Francisco was formally dissolved by the superior court of San Francisco, following action by the voters of San Francisco in approving a measure whereby it becomes a part of the San Francisco fire department.

The patrol was incorporated under an act of the California legislature in 1876. Its personal property was given gratis to the city and county of San Francisco and its two pieces of real prop-

erty were sold to the city at the city's appraisal price. Refund checks are being sent out to companies which were contributors to the patrol.

Accountants Hold Annual Banquet

The annual banquet of the Insurance Accountants Association of San Francisco is being held Dec. 21. William Kelerer has been nominated to succeed Henry Boos of the Pacific Board as president.

Nominate in L. A. Jan. 9

LOS ANGELES—The Insurance Association of Los Angeles will hold its annual dinner meeting Jan. 9, when officers will be nominated. Hugo M. Burgwald has been named chairman of the nominating committee.

Buyer Is Long Beach Speaker

LONG BEACH, CAL.—John H. Carr, superintendent of one of the large department stores of the city, addressed the Long Beach Insurance Association on "Insurance from the Buyer's Standpoint."

C.P.C.U. Students at Forum

LOS ANGELES—The Insurance Forum at its monthly meeting for the first time included in its membership all the students studying for the C.P.C.U. designation. Robert McWilliams and Briggs Howorth, both attorney members, spoke on "Loss Adjustments." An open forum discussion followed.

NEWS BRIEFS

Charles E. Gibbs, former secretary of the Insurance Brokers Exchange of San Francisco, and more recently assistant to the director of the California Farm Products Council, has been appointed manager of the agricultural department of the San Francisco Chamber of Commerce.

The Insurance Women of Denver at the December meeting entertained children, nieces and nephews.

U.S.F.&G. Changes at Boston; O'Neil and Parker Retire

With the retirement of Edward J. O'Neil and James P. Parker, joint managers of the Boston office of U.S.F.&G. for more than 35 years, William C. Burke, assistant manager, takes over the Boston managerial post. Dwight R. Pennell, assistant manager, and John E. Harnett, claims superintendent, also are retiring.

After Jan. 1 the Boston office will include Massachusetts, Vermont and New Hampshire. Maine business will be handled separately from a branch office being established at Portland with Edmund C. Devlin, a district supervisor of the company and a veteran in its New England service, as manager.

The Boston staff honored Messrs. O'Neil, Parker, Pennell and Harnett at a dinner. Guests included C. J. Fitzpatrick, secretary, who spoke, and Harry F. Ogden of Fidelity & Guaranty Fire, from the home office. E. A. Lash, field inspector, and Misses Sadie M. Spaulding and Rose M. Corcoran, who are also retiring under the company retirement plan, were also guests. L. B. Pinckney was toastmaster.

Mr. O'Neil was appointed in 1907 by John R. Bland, founder of the company, and in 1908 Mr. Parker became associate manager.

Casualty Booklet for Returning Service Men

NEW YORK—As part of its refresher course for former insurance men returning to the business from the armed services, the Insurance Institute of America has issued a 24-page booklet, "War-time Steps and Strides of the Casualty Business," by Alan O. Robinson, vice-presi-



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dent Yorkshire Indemnity. Mr. Robinson takes up in an informal and non-technical way the developments in each branch of the casualty business during the war.

Of the opportunities to build careers in the casualty business, Mr. Robinson says:

"There are many phases of this business to fit the talents and learnings of any intelligent ambitious person."

Sun Advances Simpson

Robert P. Simpson, formerly branch manager at Winnipeg, has been named an assistant secretary of Sun, with supervision of business in Manitoba, Saskatchewan, and British Columbia. For the past two years has been president of the Western Canada Insurance Underwriters Association.

Make Analysis of Premium Tax

(CONTINUED FROM PAGE 7)

sale in a hotel by any person not a regular retail merchant of North Carolina. The plaintiff maintained a sample room in a North Carolina hotel in which its agent took orders for goods to be shipped from New York. The Supreme Court held the statute unconstitutional as discrimination against interstate commerce, saying "the commerce clause forbids discrimination, whether forthright or ingenious."

Although the statute was couched in terms applicable to residents conducting only sample rooms, the court assumed that "normally residents of North Carolina with the plaintiff would be 'regular retail merchants' of North Carolina and that these paid only \$1 per year for the privilege of doing business in the state. Because of this disparity between the 'corresponding fixed-sum license tax' imposed on interstate and intrastate commerce, the court unanimously found the tax to be discriminatory."

INTANGIBLES AFFECTED

Professors Dowling and Patterson see no reason to believe that the principle of these cases, involving tangibles of interstate commerce, would not be applicable to life insurance though it deals in intangibles. They cite a number of cases in which the Supreme Court has treated intangibles as being in interstate commerce.

According to the memorandum there appear to be four factors involved in the court's test of discrimination in state tax laws:

1. The scheme of taxation as a whole: In determining whether or not a particular statutory provision is discriminatory the court considers not only the provision imposing a tax on interstate commerce but also other statutory provisions imposing taxes on domestic or intrastate commerce. Thus, in *Hinson v. Lott*, 8 Wall. (U. S.) 148 (1869), the court upheld an Alabama statute taxing liquor imported from without the state at the rate of 50 cents a gallon.

The court said that this statute, standing alone, would be discriminatory but it found another section of the Alabama statutes that imposed a tax of 50 cents a gallon on liquor produced in Alabama and so held that the statute was a legitimate exercise of the state's taxing power and was not an attempt to "regulate commerce between the states." In *Henneford v. Silas Mason Co.*, 300 U. S. 577 (1937), the court upheld a tax imposed by the state of Washington upon the use in Washington of property bought outside the state on which no sales tax had been paid. The use-tax provision imposing the burden of payment directly on the user was a part of a comprehensive sales-tax law which imposed taxes at the same rate upon sales made within the state.

Balancing the Burdens

2. Corresponding burden: In determining the discriminatory character of a tax on interstate commerce the court will consider only the "correlative" or "corresponding" burden placed on local or intrastate commerce. There is no indication that the court will go further than to compare the taxes imposed, by whatever name called, upon the same or substantially similar taxable events or taxable values. A comparison of taxes imposed on different bases could result at best in a chance equality which would not satisfy the basic principle of the commerce clause. In the *Best & Co.* case the court compared only the "fixed-sum license" taxes of out of state and local merchants and took no account of the obvious fact that local retailers who maintained stocks of goods in North Carolina would pay ad valorem taxes on

such stocks, whereas the plaintiff, which maintained only a sample room, would not pay North Carolina a tax on its stock of goods.

The case which went the farthest in applying the "corresponding" test is *Interstate Buses Corp. v. Blodgett*, 276 U. S. 245 (1928). A bus company using Connecticut highways for both interstate and intrastate transportation of passengers sued to enjoin the state tax officials from enforcing a Connecticut law which imposed a tax on interstate buses of 1 cent per mile traversed within the state. The Supreme Court upheld the judgment in favor of the tax officials, holding that the plaintiff had not proved that the statute imposed a "substantially greater burden" on interstate buses than those doing a purely intrastate business. Connecticut imposed no such mileage tax on intrastate buses but did impose on them, and not on interstate buses a gross receipt tax of 3 percent annually.

The plaintiff tried to bring into the computation other taxes which it paid in Connecticut, such as the tax on personal property (its buses) and the gasoline tax but the court did not consider these to be "correlative," saying that "we cannot say from mere inspection of the statutes that the mileage tax is a substantially greater burden on appellant's interstate business than is its correlative, the gross receipts tax, on comparable intrastate business. To gain the relief for which it prays appellant is under the necessity of showing that in actual practice the tax of which it complains falls with disproportionate economic weight on it."

Disparity Must Be Substantial

3. Substantial equality: equality of burden between interstate and intrastate commerce need only be "substantial." In *General American Tank Car Corp. v. Day*, (270 U. S. 367) (1926), the court held that a tax was not objectionable unless it discriminated "in some substantial way." The tax is not invalid, the court said, "merely because equality in its operation as compared with local taxation has not been attained with mathematical exactness. In the same opinion Justice Stone said that even if, as contended by the plaintiff, the average of local taxes was only 21 mills on the dollar as against 25 mills for the tax assessed against non-resident corporations, "in the absence of a purpose to discriminate, disclosed by the legislation itself, we are not prepared to say that a 4-mill variation in one year not shown to be a necessary or continuing result of any scheme of taxation adopted would be an unconstitutional discrimination."

4. Discrimination apparent from the statute itself: There is ground for believing that the court will declare a tax statute invalid if, taken as a whole, it discloses an apparent purpose to discriminate against interstate commerce, even though there is no proof that, in its practical operation, it imposes a substantially greater burden on interstate commerce than the corresponding burden on intrastate commerce.

"Calculated Discrimination"

Indications of such a tendency are found, says the memorandum, in the opinion of Justice Stone in the *General American Tank Car* case in which he refers to "the absence of a purpose to discriminate" and to Justice Frankfurter's reference, in the *Hale v. Bimco* case, to "calculated discrimination." It seems, according to Professors Dowling and Patterson, that "if the statute on its face imposes an unlawful burden on interstate commerce, the invalidity is not cured merely because the state might lawfully, by adopting another mode of computation, have imposed a substantially equal burden."

"From the foregoing review," the memorandum continues, "we conclude that a state statute which, in the same provision or in separate provisions taken together, imposes a tax on life insurance premiums received from within the state by foreign (out-of-state) companies at a higher rate than that imposed upon, or without imposing any such tax upon, domestic company premiums received within the state, is discriminatory and would probably (subject to the qualification stated below) be held invalid. Statutes of this type are found in a number of states."

The qualification referred to is the likelihood that such a law would not be held invalid if it could be shown that the state imposes on domestic companies exclusively a corresponding tax sufficient to equalize substantially the burdens on domestic and foreign companies.

REAL ESTATE TAX

"Concerning the 'corresponding burden' test, we find no basis in the precedents for believing that the court would include ad valorem taxes paid by a domestic life insurance company on its home office building or other property as a tax on interstate commerce to be weighed against a premium tax, at a higher rate, imposed on the premium receipts, within the states, or foreign companies," the memorandum states. "If the state premium tax on foreign companies were 'in lieu of all other taxes,' including ad valorem property taxes, a closer ques-

tion would be presented. Yet, even so, the court would, it is believed, consider the probable effect of such a concession to foreign companies and not merely its theoretically possible effect. That a tax is to be tested by its "probable" effect on interstate commerce, see, for instance, *Best & Co. v. Maxwell*; *Dahnke-Walker Milling Co. v. Bondurant*, 257 U. S. 282, 292 (1921). Indeed we believe that the court would hold another tax imposed solely on domestic companies to be a corresponding burden only if it were imposed upon the same or a similar taxable event or value; for otherwise the equality of burden, even if proved in the case of a particular foreign company would be a merely fortuitous effect of the statute.

As to what the court would deem a tax upon a similar taxable event or value we can only give a few indications. If any state imposes upon domestic life insurance companies, but not upon foreign life insurance companies a license tax, privilege tax, gross receipts tax or gross income tax, fairly related to the volume of its premium receipts within the state, the amount of such a tax would probably be taken into account as an offset against a higher premium tax on foreign companies. Municipal taxes on premium receipts imposed on domestic companies and not on foreign companies doing a comparable business in those municipalities, would apparently be taken into account. (General American Tank Car case). Whether a tax imposed upon a company's agents is in effect a tax upon the company itself is a question to be answered by ascertaining the interpretation and practical operation of the particular statute.

Effect of Deductions

"In any event the total burden imposed upon a domestic company under the comparable taxing scheme must be taken into account. For example, a gross income tax on domestic companies only would on its face be a burden corresponding to a percentage premium tax on foreign companies only; yet the deductions allowed under the former may be such that the corresponding burdens are substantially unequal. The same may be true of a state's net income tax on domestic companies only, even if such a tax were to be deemed comparable for this purpose to a higher premium tax on foreign companies."

The memorandum points out that legislative and judicial decisions have established the constitutional doctrine that by virtue of its powers under the commerce clause Congress can enable the states to take action with respect to interstate commerce which otherwise they could not validly take. It goes on to cite a number of laws of this type which have been upheld, including the 1789 statute giving the states the power to regulate pilots and the 1941 law giving the states a free hand to deal with interstate traffic in prize-fight films.

As to whether Congress can save some of the state laws that may be found to be discriminatory, Professors Dowling and Nash indicate that the chances of saving these laws may be greater than they had intimated in an earlier memorandum in which they had indicated that the commerce clause of its own force impliedly prohibits discrimination and that if the court adhered to that view Congress alone could not grant relief.

Additional Factors Found

"On further study and consideration, however, of the developments in the Supreme Court, recent as well as more remote," the present memorandum continues, "we find several factors indicative of a wider power in Congress. (1) There is no decision that Congress cannot give its consent to discriminatory action. The court has often said that the commerce clause of its own force prohibits discrimination but there has been no occasion so far to determine whether or not Congress could sanction such action. (2) There is one line of cases indicating (but not deciding) that Congress may give its approval to discrimination. The twenty-first amendment, which embodied the Webb-Kenyon act, was held in *Finch & Co. v. McKittrick*, 305 U. S. 395 (1939), to permit discriminatory and retaliatory action by one state against the products of another state.

"The fact that a constitutional amendment was involved does not necessarily make the case irrelevant for our purpose; for a persuasive showing can be made that, in embodying the Webb-Kenyon act (the language of the amendment is largely a condensation of that act) the amendment has done no more than releasing state power but has merely declared the pre-existing law and given it a place in the constitution. (3) Inclusion of a prohibition in the statute giving consent to taxation of national bank stock at least indicates that Congress deemed the provision necessary, that in its absence a discriminatory tax might be permissible. (4) On at least two occasions the court has mentioned the silence or inaction of Congress in discussing the validity of discrimination. Thus in *Gwin, White & Prince v. Henneford*, 305 U. S. 434, 438 (1939), Mr. Justice Stone for the majority said: 'but it is enough for present purposes that under the commerce

Insurance Literature Prize Donated; to Be Awarded by Teachers Group

Establishment of the Elizur Wright insurance literature prize to be awarded annually by the American Association of University Teachers of Insurance has been announced by Prof. Frank G. Dickinson of the University of Illinois, president of the association.

The winner will receive \$250 and a certificate. The award will be for the best insurance article, book, report, etc., published during the year. The executive committee of the association will choose the prize winner for 1944 in February or March after receiving suggestions from association members. Next year the selection may be placed in the hands of a special committee.

The donor of the prize is head of a midwestern insurance organization who wishes to remain anonymous. He agreed to provide the prize funds annually for five years and selected the name for the award.

Elizur Wright, in whose honor the prize is given, is known as "the father of legal reserve life insurance." A journalist, abolitionist and public leader, he was Massachusetts' first commissioner of insurance, 1858 to 1866, and wrote frequently on insurance as well as political topics.

Fireman's Fund Pioneers Meet in Five Cities

Honoring 131 who have been in the employ of Fireman's Fund for 25 years or more, dinners have been held the past week by the company in San Francisco, New York, Boston, Chicago and Atlanta. These dinners mark the first anniversary of the country-wide organization, the Fireman's Fund Pioneers, membership of which represents a total of 3,767 years of service.

Framed certificates recording the length of service and expressing the management's appreciation were presented to 29 who qualified as new members of the group during 1944.

Denis J. Collins, who has been on the staff at Boston 38 years, is national president. Miss Aida M. Duncan, of the head office, is secretary. The regional vice-presidents are Percy W. Lord, San Francisco; Henry A. Horn, Boston; Hugh R. Robertson, Chicago; Charles P. Roberts, Atlanta; and Edwin Limberg, Atlantic marine department.

Campaign Judges Confer

NEW YORK—Fire Prevention Week contest judges met here to consider campaign reports with T. Alfred Fleming, National Board, chairman of the National Fire Protection Association's fire prevention and clean-up campaign committee. The judges are:

James N. Haines, U.S. manager London Guarantee, chairman executive committee National Board; George W. Elliott, chairman N.F.P.A., executive committee; Samuel J. Pope, president International Association of Fire Chiefs; and A. Leslie Ham, manager Canadian Underwriters Association, Montreal.

clause, in the absence of Congressional action, state taxation, whatever its form, is precluded if it discriminates against interstate commerce In like vein Mr. Justice Field spoke about the statute held invalid in *Welton v. Missouri*, 91 U. S. 275, 282 (1876). (5) Certain views developed by Mr. Justice Black and by Mr. Chief Justice Stone both tend toward the full acceptance of Congressional sanctions. These views are concerned, respectively, with the very limited function of the court to invalidate state laws impinging on interstate commerce or national laws having to do with intrastate affairs. To these considerations should be added, of course, the presumption in favor of the act of Congress.

"While the outlook is by no means clear, we think an arguable case can be made that Congressional permission for the continued operation of the state tax laws now in force would not be held invalid."

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